

1990 No. 1411

COAL INDUSTRY

The Coal Industry (Restructuring Grants) Order 1990

Made - - - -

11th July 1990

Coming into force

14th July 1990

The Secretary of State, in exercise of the powers conferred upon him by section 3(2)(a), (3), and (4)(a) of the Coal Industry Act 1987^(a) and with the approval of the Treasury, hereby makes the following Order, a draft of which has been laid before the House of Commons and has been approved by that House in accordance with section 3(10) of that Act:

1. This Order may be cited as the Coal Industry (Restructuring Grants) Order 1990 and shall come into force on the third day after the day on which it is made.

2. In this Order, unless the context otherwise requires –

“the 1990/91 financial year” means the financial year of the British Coal Corporation ending in March 1991;

“the Act” means the Coal Industry Act 1987;

“employees” means employees of a relevant company;

“payments” means periodical or lump sum payments;

“relevant company” means the British Coal Corporation or any wholly-owned subsidiary of theirs and the expression “relevant companies” shall be construed accordingly;

“the relevant consolidated profit and loss account” means any consolidated profit and loss account of the British Coal Corporation and their subsidiaries prepared in accordance with a direction given under section 8(1) of the Coal Industry Act 1971^(b) for the 1990/91 financial year;

and references to payments, contributions or expenditure are references to payments, contributions or expenditure by a relevant company.

3. The 1990/91 financial year shall be a specified financial year for the purposes of section 3(4)(a) of the Act.

4. The kinds of expenditure specified in the Schedule to this Order shall be specified kinds of expenditure for the purposes of section 3(2)(a) of the Act in relation to the 1990/91 financial year.

5. The maximum amount which may be paid under section 3 of the Act by way of grant in respect of the 1990/91 financial year in relation to the kinds of expenditure specified under a Head in the Schedule is that sum which represents 90 per cent. of–

^(a) 1987 c.3; section 3(4)(a) was amended by the Coal Industry Act 1990(c.3), section 2(2). ^(b) 1971 c.16.

- (a) the total amount of the costs of the relevant companies which are related to the kinds of expenditure specified under the Head and which fall to be charged to the relevant consolidated profit and loss account; or
- (b) if a larger amount has been agreed in respect of those costs for the purposes of section 3(2)(b) of the Act, that larger amount.

10th July 1990

Tony Baldry
Parliamentary Under Secretary of State,
Department of Energy

We approve,

11th July 1990

Michael Fallon
Thomas Sackville
Two of the Lords Commissioners of
Her Majesty's Treasury

SCHEDULE
KINDS OF EXPENDITURE

Articles 4 and 5

Head 1: Redundancy and early retirement

- (i) Payments in respect of redundant employees made under section 81 of the Employment Protection (Consolidation) Act 1978(a).
- (ii) Payments in lieu of notice of dismissal made to persons leaving the employment of a relevant company by virtue of redundancy.
- (iii) Payments made for the purpose of assisting persons who leave the employment of a relevant company by virtue of redundancy or early retirement, being payments made under arrangements established by a relevant company.
- (iv) Payments in respect of the loss of superannuation prospects by persons leaving the employment of a relevant company by virtue of redundancy or early retirement.
- (v) Contributions to superannuation funds maintained by virtue of section 37 of the Coal Industry Nationalisation Act 1946(b) in respect of any increase in the cost of retirement benefits paid before normal retirement age to persons who leave the employment of a relevant company by virtue of redundancy or early retirement.

Head 2: Changes of work and place of employment

- (vi) Payments to or for the benefit of employees in connection with their removal or resettlement (with or without their dependants) by virtue of their place of employment being changed.
- (vii) Payments to local authorities and housing associations for the provision of housing for employees on account of their place of employment being changed.
- (viii) Expenditure on providing travel allowances or transport for employees on account of their place of employment being changed.
- (ix) Payments made to supplement temporarily the earnings of employees on account of their place of employment being changed.
- (x) Payments made to compensate employees temporarily for any reduction in their earnings resulting from the nature of their work being changed.

Head 5: Retraining

- (xi) Expenditure on the provision of retraining for persons who are to leave or have left the employment of a relevant company by virtue of redundancy or incapacity, being retraining provided under arrangements established by a relevant company.

(a) 1978 c.44; section 81(4) was amended by the Employment Act 1982 (c.46), section 20 and Schedule 2, paragraph 6(2). (b) 1946 c.59.

Head 6: New employment

- (xii) Payments made under arrangements for the British Coal Corporation to reimburse their wholly-owned subsidiary British Coal Enterprise Limited for losses incurred by it in promoting new employment in coal mining areas or new employment for such persons as are mentioned in paragraph (xi) above (whether in such areas or elsewhere).

EXPLANATORY NOTE

(This note is not part of the Order)

This Order concerns the making of grants by the Secretary of State to the British Coal Corporation under section 3 of the Coal Industry Act 1987 (grants for workforce redeployment and reduction, etc.).

Article 3 specifies the financial year of the Corporation ending in March 1991 as a year in respect of which such grants may be made.

Article 4 provides for the kinds of expenditure specified in the Schedule to the Order to rank as eligible expenditure of the Corporation and their wholly-owned subsidiaries in relation to the financial year.

Article 5 sets a limit on the amount which may be advanced in relation to the financial year with respect to each head of expenditure specified in the Schedule. The limit is 90 per cent. of the relevant costs appearing in the consolidated profit and loss account or 90 per cent. of such larger amount as may be agreed by the Secretary of State and the Corporation with the approval of the Treasury.