



Coal Industry Act 1977

1977 CHAPTER 39

Finance

1 Borrowing powers of National Coal Board

(1) For section 1(3) and (4) of the Act of 1965 (subsection (3) of which limits the sums borrowed by the Board and their wholly owned subsidiaries to £1,100 million or such greater sum not exceeding £1,400 million as the Secretary of State may by order specify) substitute the following subsections—

“(3) Without prejudice to subsection (4) of this section, the aggregate amount outstanding in respect of the principal of—

- (a) sums borrowed by the Board otherwise than from any of their wholly owned subsidiaries (including any sum which under section 1(4) of the Coal Industry Act 1973 is deemed to have been so borrowed), and
- (b) sums borrowed by any wholly owned subsidiary of the Board otherwise than from the Board or from another such subsidiary,

shall not exceed the limit of £1,800 million, but the Secretary of State may with the approval of the Treasury, on not more than two occasions, by order made by statutory instrument increase or further increase that limit by £400 million (so that the limit becomes £2,200 million or on the second occasion £2,600 million).

(4) The aggregate of the amounts outstanding in respect of sums borrowed temporarily by the Board under subsection (1) and subsection (2A) of this section—

- (a) shall not at any time exceed such limit as the Secretary of State may from time to time direct, and
- (b) at the end of any financial year of the Board shall not be such as to permit any accumulated deficit on the Board's revenue account to exceed £50 million or such lesser or greater sum, but not exceeding £100 million, as the Secretary of State with the approval of the Treasury may specify by order made by statutory instrument.”

- (2) In Part I of Schedule 1 to this Act the provisions of the said section 1 of the Act of 1965, and of section 2 of the Act of 1973 (which also relates to the borrowing powers of the Board and its subsidiaries), are set out as amended by the enactments specified in Part II of that Schedule.

2 Grants for promoting sale of coal to Electricity Boards

- (1) For the purpose of promoting the sale of coal to the Central Electricity Generating Board, the South of Scotland Electricity Board or the Northern Ireland Electricity Service the Secretary of State with the approval of the Treasury may, out of money provided by Parliament, make grants to the Board, or to any other person to whom this section applies.
- (2) This section applies to any person who carries on in Great Britain a business which consists wholly or mainly of the production of coal.
- (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 may be made under this section for or by reference to any financial year of the Board during the relevant period defined in section 5 of this Act, subject to the limit in that section.

3 Grants in connection with stocks of coal or coke

- (1) The Secretary of State with the approval of the Treasury may, out of money provided by Parliament, make grants in accordance with this section to the Board, or to any other person to whom this section applies, towards any cost incurred by that person in building up and maintaining stocks of coal or coke.
- (2) This section applies to any person who carries on in Great Britain a business which consists wholly or mainly of the production of coal or coke.
- (3) The costs in respect of which grants may be made to the Board under this section shall include those incurred by the Board in enabling stocks of coal or coke to be built up and maintained by the following of the Board's customers, namely, the Central Electricity Generating Board, the South of Scotland Electricity Board and the British Steel Corporation.
- (4) For the purposes of this section no account shall be taken of any stocks of coal or coke for the time being owned by the person eligible for grant except in so far as they exceed such quantity as the Secretary of State may determine.
- (5) In applying subsection (4) above, so much of the stocks held at any time by the customers mentioned in subsection (3) above as has been supplied by the Board but not paid for is to be treated as, or as having been, owned at that time by the Board.
- (6) For the purposes of this section any wholly owned subsidiary of the Board shall be regarded as if its undertaking formed part of the Board's undertaking, and any costs incurred by it in building up and maintaining stocks of coal or coke were costs incurred by the Board.
- (7) Grants under this section may be made subject to such conditions as the Secretary of State with the approval of the Treasury may determine.

- (8) Grants may be made under this section towards costs incurred in the relevant period denned in section 5 of this Act, subject to the limit in that section.

4 Grants in respect of coking coal

In section 8 of the Act of 1973 for subsections (4) and (5) substitute the following subsection—

“(4) The power to make grants under this section shall be exercisable as respects coking coal supplied for use in the relevant period defined in section 5 of the Coal Industry Act 1977, subject to the limit in that section.”

5 Limit on grants under sections 2, 3 and 4

- (1) In sections 2 and 3 of this Act and section 8 of the Act of 1973 " the relevant period " means the financial years of the Board ending in March 1977, 1978, 1979, 1980, 1981 and 1982.
- (2) The aggregate of the grants made under sections 2 and 3 of this Act and section 8 of the Act of 1973 shall not exceed the limit specified in subsection (3) below.
- (3) The said limit is £100 million, but the Secretary of State may, on one or more occasions, by order made with the approval of the Treasury increase or further increase that limit, but not so as to raise the limit to a sum exceeding £175 million. An order under this subsection shall be contained in a statutory instrument, and an order shall not be made under this subsection unless a draft of the order has been approved by resolution of the Commons House of Parliament.
- (4) No account shall be taken under this section of any grant under section 8 of the Act of 1973 as respects coking coal supplied for use in a financial year of the Board ending in March 1976, or in March of any earlier year.

6 Grants in connection with pit closures

- (1) The Secretary of State with the approval of the Treasury may, out of money provided by Parliament, make to the Board such grants as in the opinion of the Secretary of State will further assist in the re-deployment of the manpower resources of the Board and the elimination of uneconomic colliery capacity.
- (2) The grants shall be towards relevant expenditure of the Board as defined in Schedule 2 to this Act, and shall be towards expenditure of the Board for the period specified in subsection (3) below.
- (3) The said period is—
- (a) the Board's financial years ending in March 1979, 1980 and 1981, or
 - (b) if the Secretary of State by order contained in a statutory instrument so directs, those ending in March 1979, 1980, 1981 and 1982.

An order shall not be made under this subsection unless a draft of the order has been laid before the Commons House of Parliament and approved by resolution of that House.

Status: This is the original version (as it was originally enacted).

- (4) Grants under this section in respect of any financial year of the Board shall not in the aggregate exceed one-half of the relevant expenditure of the Board (as defined in Schedule 2 to this Act) for that year.
- (5) The aggregate amount of the grants made by the Secretary of State under this section shall not exceed—
 - (a) if an order is made under subsection (3) above, £80 million,
 - (b) if no such order is made, £60 million.

7 Payments to redundant workers

- (1) For the purpose of providing assistance to persons made redundant by the closure of coal mines, the reduction in the number of persons employed thereat or the consequent reduction in ancillary services and facilities the Secretary of State may make a scheme providing for the making of payments to or in respect of persons of any prescribed class who at any time between 17th July 1967 and the final date as defined in subsection (3) below—
 - (a) are employed at a coal mine or at any place of a prescribed class used for providing services or facilities ancillary to the working of one or more coal mines, and
 - (b) become redundant within the meaning of the scheme in such circumstances as may be prescribed.
- (2) The payments to be made under a scheme under this section shall be either—
 - (a) payments by the Secretary of State to persons to whom the scheme applies in accordance with subsection (1) above, or
 - (b) payments by the Secretary of State to the Board in respect of the carrying out by the Board of arrangements relating to concessionary coal.
- (3) In subsection (1) above " the final date" means 29th March 1981 or, if the Secretary of State by order contained in a statutory instrument so directs, 28th March 1982.

An order shall not be made under this subsection unless a draft of the order has been laid before the Commons House of Parliament and approved by resolution of that House.
- (4) The aggregate amount of the payments made by the Secretary of State under this section and section 3 of the Act of 1967 during the financial years of the Board ending in March 1974, 1975, 1976, 1977 and 1978 shall not exceed £100 million.
- (5) Subject to subsection (6) below, 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 and 1981 shall not exceed £90 million.
- (6) If an order is made under subsection (3) above, subsection (5) above shall not apply, but the aggregate amount of the payments made by the Secretary of State during the financial years of the Board ending in March 1979, 1980, 1981 and 1982 shall not exceed £120 million.
- (7) The power to make a scheme under this section shall be exercisable by order contained in a statutory instrument, and an order made under this subsection may be varied or revoked by a subsequent order so made.

An order shall not be made under this subsection unless a draft thereof has been laid before and approved by the Commons House of Parliament.

- (8) In this section—
 " concessionary coal " means coal or other solid fuel supplied free of charge or at reduced prices,
 " prescribed " means prescribed by a scheme under this section.
- (9) Any sums required by the Secretary of State for making payments under a scheme under this section shall be defrayed out of money provided by Parliament.
- (10) Section 3 of the Act of 1967, section 2 of the Act of 1971, and section 4 of the Act of 1973, which are superseded by this section, shall cease to have effect, but nothing in this Act is to be taken to prejudice the validity of any scheme made before the commencement of this Act under section 3 of the Act of 1967, and any such scheme may be varied or revoked as if made under this section.

8 Regional grants

- (1) This section has effect for the purpose of assisting or enabling the Board to pay due regard to the needs of the assisted areas when planning and carrying out colliery activities.
- (2) For that purpose the Secretary of State with the approval of the Treasury may, out of money provided by Parliament, make grants to the Board during the financial years of the Board ending in March 1977, 1978, 1979, 1980, 1981 and 1982 of such amount as he may consider requisite for the purpose.
- (3) The aggregate amount of the grants made by the Secretary of State under this section shall not exceed the limit specified in subsection (4) below.
- (4) The said limit is £75 million, but the Secretary of State may, on one or more occasions, by order made with the approval of the Treasury increase or further increase the limit, but not so as to raise that limit to a sum exceeding £100 million.

An order under this subsection shall be contained in a statutory instrument, and an order shall not be made under this subsection unless a draft of the order has been approved by resolution of the Commons House of Parliament.

- (5) Grants under this section may be made subject to such conditions as the Secretary of State with the approval of the Treasury may determine.
- (6) In this section—
 " assisted areas " has the same meaning as in section 6(2) of the Industry Act 1972, read with section 15 of that Act,
 " colliery activities " has the meaning given by section 63(1) of the Act of 1946.
- (7) Section 9 of the Act of 1973 (grants by reference to contraction of the coal mining industry) shall cease to have effect.

Other provisions

9 Activities relating to petroleum

- (1) The Board shall have power to carry on any activities consisting of—
- (a) the acquisition and treatment of petroleum,
 - (b) the manufacture and sale of products of petroleum, or
 - (c) the treatment of products of petroleum for the purpose of rendering them saleable,
- if it appears to the Board that those activities will or may ultimately provide an outlet for coal or products of coal, or may lead to the development of chemical processes or methods, or acquisition of commercial, industry or technological experience or knowledge which may lead to new or improved uses of coal or products of coal.
- (2) The functions of the Board shall include the carrying on of such activities as it may appear to the Board to be requisite, advantageous or convenient for them to carry on for or in connection with the exercise of their powers under subsection (1) above.
- (3) The Board shall have power to do anything and to enter into any transaction (whether or not involving expenditure, borrowing or lending, or the acquisition of any property or rights) which in the opinion of the Board is calculated to facilitate the proper exercise of their powers under this section, or is incidental or conducive to the exercise of those powers.
- (4) The provisions of this section are without prejudice to the duties and powers conferred on the Board by section 1 of the Act of 1946.
- (5) In this section and section 10 below " petroleum " means any of the following (other than coal) namely—
- (a) mineral oil, natural gas and bituminous shales;
 - (b) deposits not mentioned in the preceding paragraph from which oil can be extracted by destructive distillation; and
 - (c) hydrocarbons which are related to mineral oil and are not mentioned in the preceding paragraphs.

10 Activities relating to minerals other than coal or petroleum

- (1) The Board shall have power—
- (a) to work and get any minerals, other than coal or petroleum, which are discovered in the course of searching or boring for, or working and getting, coal, and
 - (b) to carry on such activities as may appear to the Board to be requisite, advantageous or convenient for them to carry on for or in connection with the working and getting by the Board of minerals (other than coal or petroleum) which have been discovered in the course of searching or boring for, or working and getting, coal.
- (2) The Board shall have power to do anything and to enter into any transaction (whether or not involving expenditure, borrowing or lending, or the acquisition of any property or rights) which in the opinion of the Board is calculated to facilitate the proper exercise of their powers under this section, or is incidental or conducive to the exercise of those powers.

- (3) The provisions of this section are without prejudice to the duties and powers conferred on the Board by section 1 of the Act of 1946.

11 Overseas activities

- (1) Section 1 of the Act of 1946 (which states the Board's duties and powers) shall not be limited by section 63(3) of that Act (references in that Act to activities to be limited to activities in Great Britain).
- (2) Without prejudice to the effect of subsection (1) above, the Board shall have power to do anything outside Great Britain—
- (a) which appears to the Board requisite, advantageous or convenient, and
 - (b) which the Board are required or authorised to do in Great Britain,
- whether or not what is done under this subsection is related to the working and getting of coal in Great Britain.
- (3) For the avoidance of doubt it is hereby declared that subsection (2) above authorises the Board to work and get coal outside Great Britain.
- (4) The Board shall not do anything outside Great Britain except—
- (a) with the consent in writing of the Secretary of State, and
 - (b) if it involves capital expenditure by the Board, or the guaranteeing by the Board of any liability, with the consent of the Secretary of State given with the approval of the Treasury.
- (5) Subsection (4) above shall not apply to—
- (a) selling or supplying for export,
 - (b) supplying imported goods in Great Britain.
- (6) Subsection (4) above shall not apply to anything done with consent given under section 5(1) of the Act of 1971 (technical assistance under section 1(1) of the Overseas Aid Act 1966).
- (7) This section shall not affect the National Coal Board (Additional Powers) Act 1966 (petroleum and natural gas) and no account shall be taken of that Act for the purposes of subsection (2) above.
- (8) Section 2 of the Coal Industry Act 1949, which is superseded by this section, shall cease to have effect.

12 Pensions

- (1) In section 37 of the Act of 1946 (regulations about pension schemes) after subsection (1) insert the following subsection—
- “(1A) Regulations may be made for providing pensions, gratuities and other like benefits in favour of persons specified in the Table in Schedule 2A to this Act, and references in subsection (1)(c) above to the purposes of paragraphs (a) and (b) of that subsection shall include references to the purposes of this subsection.”
- (2) After Schedule 2 to the Act of 1946 insert, as Schedule 2A, the provisions set out in Schedule 3 to this Act.

13 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.

14 Interpretation

(1) In this Act—

" the Act of 1946 " means the Coal Industry Nationalisation Act 1946;

" the Act of 1965 " means the Coal Industry Act 1965 ;

" the Act of 1971 " means the Coal Industry Act 1971;

" the Act of 1973 " means the Coal Industry Act 1973 ;

" the Act of 1976 " means the National Coal Board (Finance) Act 1976 ;

" the Board " means the National Coal Board;

" wholly owned subsidiary " shall be construed in accordance with section 150(4) of the Companies Act 1948.

(2) Except so far as the context otherwise requires, any reference in this Act to an enactment shall be construed as a reference to that enactment as amended or extended by or under any other enactment.

15 Amendments and repeals

(1) The minor and consequential amendments in Schedule 4 to this Act shall have effect.

(2) The enactments specified in Schedule 5 to this Act shall be repealed to the extent specified in the third column of that Schedule.

16 Citation, commencement and extent

(1) This Act may be cited as the Coal Industry Act 1977, and the Coal Industry Acts 1946 to 1976 and this Act may be cited together as the Coal Industry Acts 1946 to 1977.

(2) This Act shall come into force at the expiration of a period of one month beginning with the date on which this Act is passed.

(3) This Act does not extend to Northern Ireland, but without prejudice to the provisions of this Act relating to activities of the Board outside Great Britain.