

UK COAL GROUP OF COMPANIES

Concessionary Fuel Policy

SCOPE

1. This policy is effective from 1 April 2000 (updated 1 August 2009) and applies to the following categories of employee.

- colliery based plant drivers,
- colliery based staff recruited by UK Coal Mining Ltd.
- staff employees based at Head Office or at remote sites

Employees working on surface mine sites are typically excluded from these arrangements due to the provision of coal allowance [cash] arrangements.

This policy is independent of the former British Coal Concessionary Fuel arrangements.

2. Those employees whose employment was transferred to this Company from British Coal and whose concessionary fuel entitlement is determined by the National Concessionary Fuel Agreement (NCFA) continue to benefit from those arrangements.

GENERAL CONDITIONS OF ENTITLEMENT

3. Any person who on or after the effective date of this policy is or becomes a serving worker is, subject to all relevant provisions of this policy, entitled to supply of concessionary fuel. The charges for the entitlement are as follows:-

Colliery based employees:	No charge
Others:	50% charge

4. Any concessionary fuel supplied under this policy is for consumption solely within the accommodation in respect of which the employee qualifies for his/her entitlement and shall be used for no other purpose whatsoever. Only one application is allowed per household. The Company reserve the right, in the event of any contravention of this clause, to terminate the supply of concessionary fuel either permanently or for such a period as they in their discretion deem appropriate in the particular case. In addition, disciplinary action may be taken if deemed appropriate.
5. An employee must notify the Company, via the present administrator CAPITA, of any material change in his/her circumstances (ie change of address etc). The Company may reject or terminate an employee's entitlement to concessionary fuel under this policy either permanently or for a specified period of time in the event of him/her having provided false information in support of an application for an entitlement or having failed to inform the company promptly of any material change in his/her circumstances.

APPLICATIONS

6. All employees making a new application for a fuel allowance from 1 April 2001 must complete the appropriate application form, ensuring that they have read and fully understood the provisions of this policy before making the application. Proof of occupancy, ownership or tenancy will be required.

DURATION AND CESSATION OF ENTITLEMENT TO CONCESSIONARY FUEL

7. Entitlement for an employee will cease when the contract of employment is terminated either by the person or the Company. Concessions will not carry forward into retirement.
8. Notwithstanding the provision of Clause 5 above, where an employee leaves or transfers from his/her normal place of employment for a reason other than misconduct or a breach of his/her terms and conditions of employment to another place of work within the Company, his/her entitlement shall continue providing the general conditions of this policy are still met,

SUPPLY OF CONCESSIONARY FUEL

9. Coal

Where coal is supplied, it will be the grade and quality of coal supplied to similar employees of the supplying unit, normally washed bituminous Doubles or Trebles, except where the employee's appliance is designed to burn Housewarm Singles or Coalflow Pearls, when this quality will be supplied. The quantity of coal to which qualifying staff are entitled in any fuel year is 7 tonnes.

10. Smokeless Fuel

Solid Smokeless Fuel will be supplied under this policy. The type of Solid Smokeless Fuel will be the choice of the employee from the list of Concessionary Fuels available from the Company and supplying depots. The allowance of Solid Smokeless Fuel to be supplied for qualifying staff is the equivalent monetary value of 7 tonnes of coal per fuel year, consequently the quantity supplied will depend upon the smokeless fuel type and its price.

For new starters the entitlement given will be pro-rated and based upon the date of joining the scheme.

11. Pre-Packing

The facility to pre-pack fuels is not available at all depots. However, if this is available and requested there will be an additional charge, which will be deducted from salary/wages after delivery has been confirmed as being made. The charge will not be deducted from the annual entitlement. However, as Coalflow Pearls is a pre-packed product, no charge will be made for this.

12. Payment Terms

Those employees receiving concessionary fuel at a 50% charge (see Clause 3) will have the relevant amount deducted from salary/wages after delivery has been confirmed as being made.

DELIVERY ARRANGEMENTS

13. The arrangement for the phasing and delivery of concessionary fuel in any fuel year will be determined by the scheme administrators. The Company will take into account as far as practicable the need to avoid peaking of orders for fuel during the winter; the need for economies in administration and delivery of fuel; and the convenience of the employee.
14. Where an employee takes, during a particular fuel year, less than the whole of his/her entitlement, no payment in lieu will be made in respect of the undertaken part.

OTHER NOTES OF GUIDANCE

15. To apply for an allowance all employees must complete the appropriate application form.
16. Prices of Coal and Smokeless Fuel are not fixed and are reviewed annually subject to market fluctuation. Price is subject to contractual negotiations between the company, their nominated supplier and product manufacturers.
17. The fuel year runs from 1 April until 31 March each year.
18. Deliveries will be made by Hauliers and Merchants contracted by the Company to provide the service.

QUERIES

19. Any queries regarding these arrangements should be directed to CAPITA, National Concessionary Fuel Office, PO Box 64, Sheffield, S1 1XL.

This updated policy supersedes any earlier concessionary fuel document issued by the Company with the exception of the National Concessionary Fuel Agreement. We reserve the right to amend these at any time.