The Coal Authority

Annual report and accounts 2023-2024

HC 16

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Annual report and accounts 2023-24

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Trusted
Inclusive
Progressive
The Coal Authority
Making a Better
and the Environment in
INCREASING SPACE AND HABITAT FOR NATURE
WATER FROM OUR MINES TO SUPPORT DRINKING WATER
ACTING ON THE IMPACTS OF CLIMATE CHANGE
Reducing Waste
Socially Sustainable Renewables
NET ZERO BY 2030
CO2
and Ready to go BEYOND
MINE WATER
HEAT
OF
Drawn by Siân from

Future for People
Mining Areas
Our Vision for 2032
Diverse
Representative
Fit for the Future
Coal mines as a CORE PART of the CATCHMENT
COMMUNITY AND CUSTOMER FOCUS
WORKING WITH PARTNERS
sharing knowledge and Expertise
NG THE LEGACY
COAL MINING PAST
AND ENERGY STORAGE
CONNECT PEOPLE TO THEIR MINING HISTORY
Bring ALIVE the Story of the PAST
Embrace NEW Technology
Digital Transformation
Accessible Services
TO THE FUTURE
Learning to do BETTER
ES.CO.UK
@visualminutes

Kate, from our heat and by-product innovation team, using a dip tape to check the depth of mine water in a monitoring borehole

Performance report

Overview

The Coal Authority is a non-departmental public body and partner organisation of the Department for Energy Security and Net Zero.

Our mission:
Making a better future for people and the environment in mining areas.

Our purpose:
- we keep people safe and provide peace of mind
- we protect and enhance the environment
- we use our information and expertise to help people make informed decisions
- we create value and minimise cost to the taxpayer

We use our skills to provide services to other government departments and agencies, local governments and commercial partners.

We work with departments across UK Government to deliver on UK Government priorities including the transition to net zero, levelling up, national resilience, an improved environment and a sustainable economy. We also contribute to the wider environmental, social and economic priorities of the Scottish and Welsh governments. By sharing our knowledge and expertise, we support them and our partners to create safer, cleaner and greener nations for us all.

Our governance:
We have an independent board responsible for setting our strategic direction and holding us to account. The board ensures that our statutory duties are carried out effectively and that we bring our mission, purpose and values to life. Our chair and board members have relevant experience to support our work.

Non-executive directors are recruited and appointed to the board by the Secretary of State for the Department for Energy Security and Net Zero. Executive directors are recruited to their posts by the board and some of them are then appointed to the board, also by the Secretary of State for the Department for Energy Security and Net Zero.

Our values:

Trusted:
- we act with integrity
- we're open and transparent
- we deliver on our commitments

Inclusive:
- we promote a culture of mutual respect
- we recognise that our differences make us stronger
- we work with others to achieve our mission

Progressive:
- we're open minded and innovative
- we recognise that the past can help us shape the future
- we listen and learn

The work we do

During 2023-24, across the 3 nations we serve:

We kept people safe and provided peace of mind

We carried out **10,465** mine entry inspections

We investigated and assessed **896** mining hazards and subsidence claims

We carried out **823** inspections on spoil heaps (tips) owned by the Coal Authority and our partners

We used our information and expertise to help people make informed decisions

We delivered **126,513** mining reports

We issued **1,620** permits to intersect coal

We provided **9,095** planning consultation responses

We protected and enhanced the environment

We created/maintained the capacity to treat **231 billion** litres of mine water

We prevented **4,057** tonnes of iron from entering water courses

We sent **3%** of the ochre and iron solid waste we generate to landfill

We created value and minimised cost to the taxpayer

We generated **£8.1 million** of income through our advisory services

We generated **£196,000** through by-product sales

We created additional social and environmental value at **8** sites through our work

Chair’s foreword

I am pleased to introduce our 2023–24 annual report and accounts which summarise another year of strong delivery and innovative progress. The organisation remains very aware of the need to continuously develop, improve and stay relevant and as we celebrate our 30th year we continue to evolve, develop new skills, systems and technologies and make strides towards the ambitions of our 2032 vision.

Jeff Halliwell
Chair

We’ve continued to work closely with officials and ministers at our sponsoring Department for Energy Security and Net Zero and were delighted to welcome Minister Stuart to the Gateshead Council mine energy scheme in January 2024 to see first-hand the benefits the scheme is delivering for the people and economy of Gateshead since it went live in March 2023. The scheme’s statistics (see page 18) and real life stories from the people using the

scheme are equally powerful – with energy prices at least 5% below the cost of gas some residents are able to make choices on their heating and hot water now that they didn't feel able to do previously due to electricity and cost of living concerns. A local business – GB Lubricants – has reported significant heating cost savings alongside new business opportunities from being associated with the low carbon scheme. We continue to work with the Department for Energy Security and Net Zero and Welsh and Scottish government officials, local councils, local politicians, businesses and a range of other partners to make multiple low carbon mine water heat schemes a reality across mining areas of Great Britain.

To support this we've continued to work closely with the Geospatial Commission and other partners to develop effective mapping and information to help people to make informed decisions and choices. This includes our collaboration with Ordnance Survey to develop heat demand maps across coalfield areas which complement our existing mine heat maps developed with the British Geological Survey. You can see them at https://datamine-cauk.hub.arcgis.com/. Together these will help local authorities, developers and businesses make decisions about the potential for schemes in their areas and where future housing and businesses could most sustainably and cost effectively be built.

Data and information has been a real area of focus and development over the past year and I was delighted to see our data and information plan published in March 2024. Our information and the national archive we manage of Great Britain's mining records underpin all of our work and play an important role in ensuring confidence in the coalfield housing market. It's important that this information is modernised and kept relevant and that we use the opportunities of technology and artificial intelligence across our work to ensure that we are as productive as we can be. You can see examples of where this is happening – and how we will grow this important work in the future in our plan.

Throughout 2023-24 we've continued to work closely with ministers and officials to demonstrate the frontline work of the Coal Authority in communities and the value for money we deliver across the range of risks we manage and activities we are responsible for.

Maintenance and replanting work taking place in the reed beds at Horden mine water treatment scheme

Interactive Map Viewer

Data and Information plan

We've worked closely with the Department for Energy Security and Net Zero's Arm's Length Body Review team and look forward to the outcome in due course.

We've also continued to work closely with the Welsh and Scottish governments in delivering across Great Britain. You can read more about our work in Wales, Scotland and England in our case studies (pages 20, 32 and 37) which include a range of examples of our work as well as specific statistics for each country.

We continue to contribute to levelling up, value creation and economic growth and development through our work. Over the last year we have used our information, services and estate to support and enable an additional 260,000 hectares of regeneration and safe development for local communities across Great Britain's former coalfield areas. Our case study on page 40 shows how we are working with partners to develop a restoration plan and to support nature's recovery for an area of previous ancient woodland at Hag Wood in County Durham.

During 2023-24 we supported the inquest into the death of Christopher Kapessa who drowned in the River Cynon at a site in South Wales in 2019. Our thoughts remain with Christopher's family following his tragic death which was caused by him being pushed from a bridge at the site. We welcome the advice of the coroner on additional actions we can put in place across our estate in the future including bolstering our site specific risk assessments with a broader water safety policy. We have already taken action against these recommendations. We continue to support and contribute to the ongoing pre-inquest process into the 2011 Gleision mine disaster. Our thoughts are with the families of the miners lost in this tragedy.

Through 2023-24 we have continued to determine a small amount of coal mine license applications following the specific tests set out in the 1994 Coal Industry Act and taking account of policy from the UK and Welsh governments (for coal licensing) and the UK, Scottish and Welsh governments (through planning policy). We recognise that this continues to be a politically and publically sensitive area and aim to be as transparent as we can be whilst needing to comply with relevant legislation and guidance. We also continue to provide operational advice and information to government to help inform the policy judgements they need to make.

When reading our accounts you'll notice that our provisions balance, reflecting the future cost of resolving the impacts of past coal mining, has changed again this year, decreasing by £0.6 billion from £2.2 billion to £1.6 billion at March 2024. This balance is calculated by applying HM Treasury assumptions on the value of money at various points in time in the future to a forecast of cash flows at today's prices. Our forecast of these underlying cash flows has increased by £0.4 billion to £3.7 billion, primarily reflecting increases in the cost of construction, operation and maintenance of our mine water schemes, and the ongoing trend over recent years of managing an increasing number of complex public safety incidents. We expect the impacts of climate change adaptation to increase the provisions over time as we undertake more research. We are also aware of the potential implications of the work we are currently doing to better understand the impact of saline water recovery in England. We will continue to work to offset costs through efficiencies and further improvements through our innovation programmes wherever possible.

The operational increases included this year are small compared with changes to the HM Treasury discount rates which decrease the financial provision by £0.9 billion. You can find more information on this in the financial review (page 28) and note 13 to the accounts (page 121).

As we celebrate 30 years of the Coal Authority I want to thank all our people, contractors and partners who have helped us to deliver so many outcomes for communities over that time. The organisation has transformed during this period from one focused on managing liabilities and a still sizeable coal industry to one which is focused on protecting life and public safety, protecting drinking water and the environment. We deliver mining remediation, sustainable opportunity from our assets and environmental and social value alongside value for the taxpayer. We will continue to develop and grow new skills, systems and technologies as we evolve and continue to focus on supporting, valuing and developing our people and taking action to enable wellbeing and inclusion across the Coal Authority to ensure that we truly are a great place to work.

After 7 years of excellent service Steve Wilson leaves our board as a non-executive director in March 2024. Steve has chaired our safety, health and environment committee and latterly our environment and sustainability committee and provided invaluable support and advice on operational matters to the executive, championed health, safety, wellbeing and sustainability and ensured that we have considered Welsh perspectives, voices and partners in our work. I would like to thank Steve for his hard work and commitment on the board.

I am delighted to welcome Kate Denham to the board from the 1 April 2024. We are also entering our second year of the Department for Levelling Up, Housing and Communities Boardroom Apprentice programme and I would like to thank Lisa Robson for her excellent contributions under the programme between January and December 2023 and to welcome Naomi Stenhouse who joined us for a year in January 2024. I look forward to working with the board and wider organisation in the year ahead.

Jeff Halliwell
Chair

Chief executive's report

This year has been focused on delivering our 2022–25 business plan to make a difference for the communities we serve across Great Britain. We've made strong progress in each of our 5 business plan themes and towards the ambitions of our 10 year vision to 2032 and we've worked directly and with partners to solve the increasingly complex problems that mining legacy can pose and looked for opportunity to create social and environmental value, alongside value for the taxpayer in everything that we do.

Lisa Pinney MBE
Chief Executive and
Accounting Officer

Since gaining category 2 status under revisions to the Civil Contingencies Act 2004 in February 2023 we have worked closely with emergency partners to increase understanding of risks in mining areas and to support joined up emergency response. We’ve continued to deliver customer focused 24/7/365 incident response and over the year we responded to 575 reported surface hazards, 321 subsidence claims and 34 additional emergency calls. We have also delivered 420 hours of training and engagement with the 31 local resilience forums and regional resilience partnerships that cover the British coalfield to raise awareness of the work we do and advise on risks, hazards and response.

We’ve maintained and operated our 81 water treatment schemes so we have the capacity to treat 231 billion litres of mine water to prevent pollution of drinking water, rivers and the sea. We had an extremely wet autumn and winter leading to significant flooding and difficult ground conditions and it is a credit to our teams and contractors that construction and maintenance has continued through this challenging period and that our assets have continued to work effectively.

We’ve progressed 7 further schemes into design and/or build with more planned for the future as monitoring shows they are needed. This is both for coal and for metals where we continue to work closely with Defra and the Environment Agency in England and Welsh Government and Natural Resources Wales in Wales to deliver tangible improvements to water quality by preventing metal mine pollution. We’ve expanded our work on saline mine water recovery in England and established a new team to focus on this and work with partners to determine the options and infrastructure that will be needed to manage this for the future.

We’ve continued our work for Welsh Government as part of their coal tips safety taskforce to ensure that all higher risk sites have been

Reed beds at Blenkinsopp mine water treatment scheme in North East England


The Coal Authority
Lisa Pinney

regularly inspected and maintenance work prioritised for action. We continue to support Welsh Government as they move towards the development of their Disused Tip Safety Bill and its future implementation.

2 years in we've made strong progress against each of the 5 themes of our business plan as you can see on page 22 and we've published further underpinning plans and targets including our refreshed customer plan 2023-26, mine heat opportunities framework 2024-27, by-products opportunities framework 2024-27 and data and information plan 2024-27 alongside progress updates against our other key plans. You can find all our key plans and progress updates on the gov.uk website or see the QR codes below.

We published our sustainability plan in April 2023 and have been making clear progress against these targets – including progressing and publishing our natural recovery plan and working with Nottingham Trent University and Severn Trent Water to develop plans for renewable energy and sustainable urban drainage schemes at our Mansfield head office.

Our work is becoming increasing complex and requires some increasingly sophisticated solutions and the development and management of larger contracts and programmes. We have also taken on additional funded work over the past few years which has caused the organisation to grow and evolve. To support this and ensure that we can continue to develop efficiently and effectively we will make some further structural changes in 2024 to help us bring in additional skills and further develop and support our colleagues. We deliver a very wide range of activities and outcomes, managing and reducing complex risks for the 3 governments we serve and will continue to ensure that efficiency, value for money and multiple outcome delivery is embedded in every decision that we take.

This will be supported by further digital and system improvements to enhance accessibility and options for our customers and ensure our colleagues can work together – and with partners – effectively. As Jeff says, our new data and information plan shows how we will further develop mapping, data and artificial intelligence opportunities to support this and ensure that our work remains productive and relevant for another 30 years.

I am constantly humbled by the commitment and passion of those who work at the Coal Authority, their dedication to make a difference for the communities we serve and their focus on problem solving, continuous improvement and innovation. As we continue to evolve and tackle increasingly complex challenges and find opportunities it is important that we truly are a great place to work for everyone where people feel valued, supported, developed and included and that we are recognised as a great employer so that future colleagues also want to work for us. We will continue to invest in our people and to listen and learn in order to do this. Thank you for everything you have delivered over the past year.

The Coal Authority has made a difference for 30 years. We have continued to evolve and adapt throughout this time whilst recognising that effective mining remediation is needed in perpetuity to keep people, drinking water and the environment safe. We look forward to the future and will continue to do all we can to make a better future for people and the environment in mining areas together.

Lisa Pinney MBE
Chief Executive

Data and Information plan

Coal Authority publication scheme

Case study:

Our work to enable low carbon heating

We continually look to innovate and deliver opportunities for people and the environment in mining areas. This includes enabling the use of low carbon mine water heat from disused coal mine infrastructure. In March 2023 the first large scale, multi-user mine water heat scheme became a reality when the Gateshead mine water heat network began operating.

Coal was mined from the Saltmeadows area of Gateshead for several centuries. The underground shafts and adits that remain have filled with water which is warm because it is geothermally heated by the rocks it flows through. In 2017 Gateshead Council commissioned a heat network powered by gas engines to produce electricity and heat for customers. In 2019 they decided to grow the size of their network but wanted to reduce carbon emissions rather than use more fossil fuels. We worked with them and used our expertise to establish whether the mines 150m beneath the town centre could provide the additional heat required. Our investigations showed excellent potential for mine water heat.

We supported the council-owned Gateshead Energy Company and contractors to deliver a mine water heating scheme that feeds into the existing district heating network. It took just 3 years from the first discussions to the scheme going live and providing heat for local residents and businesses. Power for the mine water heat pumps is provided by an extensive solar farm which makes the scheme even lower carbon to operate. The Gateshead scheme is now one of the largest in Europe and is delivering great outcomes for the local community. It provides secure, low-carbon heating to 350 homes, the Glasshouse (formerly Sage Gateshead), Gateshead College, the Baltic Centre for Contemporary Art, and several office buildings, and has the capacity to service more buildings and homes.

This project has an estimated saving of 72,000 tonnes of CO_2 over 40 years which equates to savings of about 1,800 tonnes of CO_2 per annum. As well as the clear carbon-saving benefits, residents and businesses are now able to enjoy heating and hot water at costs lower than gas boiler prices. The first private business to join the heat scheme was GB Lubricants. Managing Director Paul Booth said, “Our company is nearly 150 years old and we always have to be looking forward and working to future-proof our business, so the switch had to make financial and business sense.

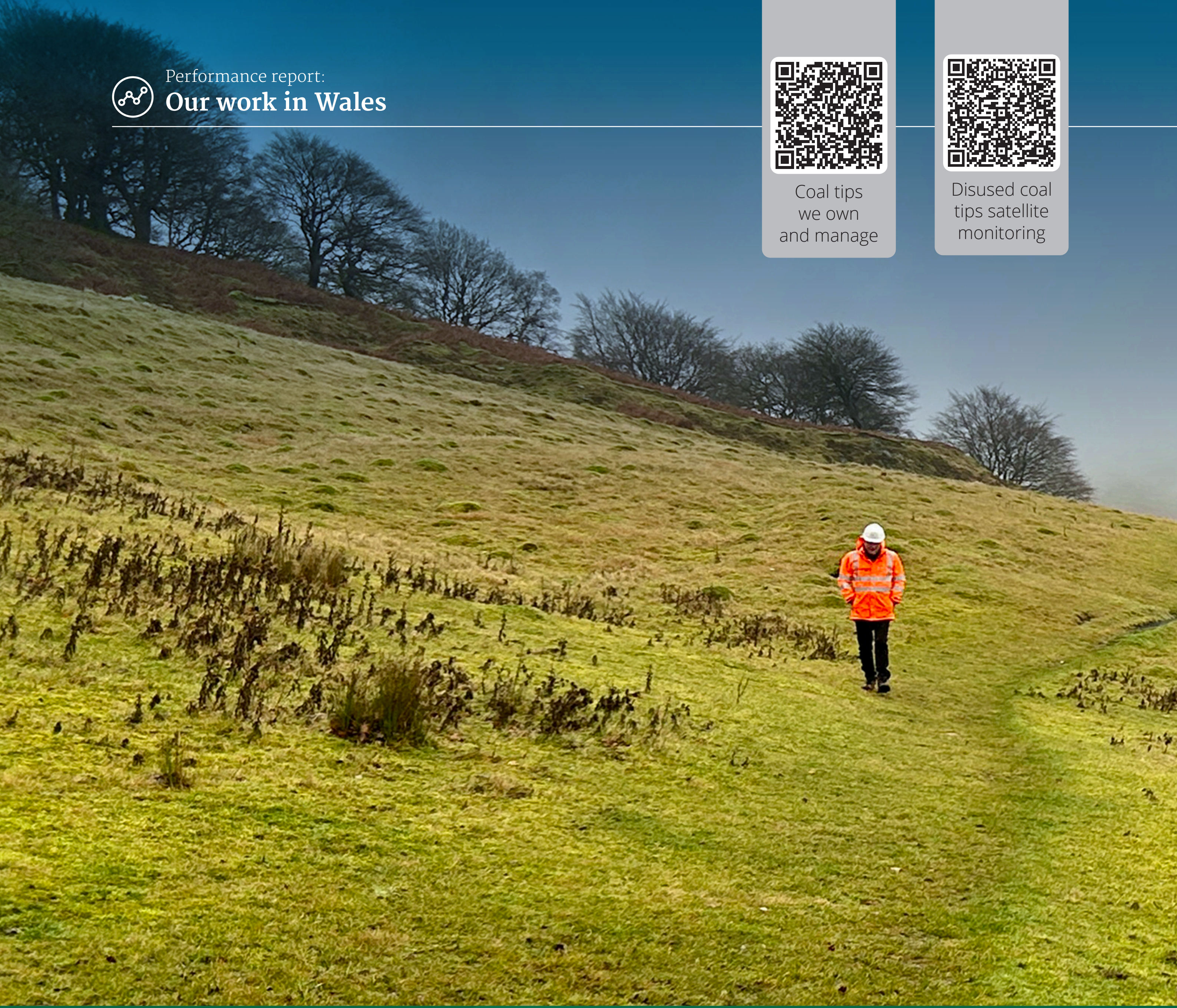
“Decarbonising our supply chain is really important to customers within our industry and this helps us meet those targets and also be part of a greener future, which as a parent, I’m grateful to be able to influence at work.

“My role is to steer the company in the best direction possible and have a strategy to ensure it continues to be successful for a long time to come. I believe this project not only enables me to do that but will be a fundamental cornerstone in achieving it.”

We know that mine water heat can make a significant contribution to decarbonising heating across large parts of Great Britain and we continue to work with governments, local authorities and public and private sector partners across the 3 nations we serve to develop it further.

Richard, our Innovation and Services Director, being interviewed by the BBC at Dawdon mine water treatment scheme

Minewater framework



Coal tips we own and manage

Disused coal tips satellite monitoring

Our year in Wales

We carried out **2,377** mine entry inspections

We delivered **8,679** mining reports

We determined **118** hazard and subsidence occurrences

We provided **1,205** planning consultation responses

Case study:

Our work in Wales

There are more than 2,500 colliery tips in Wales and many of these sites are now in public or private ownership. We take tip management extremely seriously and the 26 former coal tips in our ownership are subject to a rigorous inspection and maintenance regime to ensure the safety of the communities around them. We also provide services to other landowners and bodies.

The specification and supervision of maintenance and remedial works on our disused tip sites, including regular inspections, is carried out by our dedicated tips response team, supported by specialist consultants when required.

Tips may become insecure when water or ground conditions make them unstable. We keep them secure, monitor water drainage, construct tunnels and ponds to capture the water runoff and undertake a regular programme of maintenance.

In March 2020, the UK and Welsh governments asked the Coal Authority to provide advice and expertise on a Welsh Government led taskforce to ensure that coal tips in Wales were identified, risk assessed, inspected and flagged for maintenance work to reduce the risk from these sites to the communities around and below them.

The number and location of disused coal tips in Wales has been made publicly available by Welsh Government through a series of interactive maps.

We've continued our work for Welsh Government as part of their tips taskforce to ensure that all higher risk sites are regularly inspected and that any maintenance work can be prioritised.

This includes our work in leading the remediation of a slip at Wattstown tip in Rhondda Cynon Taff, between October 2021 and January 2022, and our continued support of Rhondda Cynon Taf County Borough Council at Tylorstown since 2020.

We are working with partners on technology trials in areas such as movement sensors and satellite capability to detect moisture content on coal tips. Innovation in this area will help us deliver effective monitoring of the tips to ensure public safety.

We welcome Welsh Government's proposals for a new regime as laid out in their Coal Tip Safety (Wales) White Paper and will continue to support them with the development of a bill on coal tip safety and its future implementation.

We treated
16 billion
litres of water

We prevented
378
tonnes of iron solids from entering water courses

Our performance

We are 2 years through our current 3 year business plan and we're making clear progress against our mission of making a better future for people and the environment in mining areas. Our plan is set against our 10 year vision, underpinned by our values and focused on delivering for the communities we serve. The following section shows the progress we have made in 2023-24.

Mission

Making a better future for people and the environment in mining areas

Purpose

- We keep people safe and provide peace of mind
- We protect and enhance the environment
- We use our information and expertise to help people make informed decisions
- We create value and minimise cost to the taxpayer

Create a great place to work

Work with others to create value

Deliver for the communities we serve

Ensure sustainability

Make us fit for the future

Values

Trusted

Inclusive

Progressive

We use this scorecard to measure and report our progress between 2022-25.

Deliver for the communities we serve

Scorecard outcome:
We improve our frontline delivery services for our customers so that we deliver more outcomes and are easier to do business with

In 2023-24:	Business plan targets by April 2025:
• we treated an additional 15 billion litres of water compared to our 2021-22 baseline so are currently on track to meet our 2025 target Learning through the business plan period has shown us that a better target is 'creating the capacity to treat an additional 15 billion litres of mine water by 2025' as this is not impacted by rainfall which affects the volume of water we need to treat each year. We will measure this new target alongside our original target in all future reporting • we created the capacity to treat an additional 10.5 billion litres during the year (a cumulative 13.6 billion litres since the business plan started in 2022)	• our original target is to treat an additional 13 billion litres per year of mine water to prevent pollution of drinking water, rivers or the sea by 2025. This is an increase of over 10% on our baseline (128 billion litres/year) Learning through the business plan period has shown us that a better target is 'creating the capacity to treat an additional 15 billion litres of mine water by 2025' as this is not impacted by rainfall which affects the volume of water we need to treat each year. We will measure this new target alongside our original target in all future reporting
• we resolved 72% of subsidence claims within 12 months and are on track to meet our 2025 target	• we will resolve 90% of subsidence hazards and claims within 12 months
• through our planning and permitting services we enabled 260,000 hectares of regeneration and safe development for both environmental projects and community use and are on track to exceed our 2025 target	• we will use our information, services and estate to enable 300,000 hectares of regeneration and safe development for local communities in the former coalfields
• we built on the feedback from last year's customer survey and continue to deliver our plan to help communities access our services as easily and efficiently as possible. We are on track to meet our 2025 target	• we will achieve ServiceMark accreditation for our service standards from the Institute of Customer Service

The Coal Authority is a practical 24/7/365 operational emergency response organisation which delivers a number of core, statutory duties across Great Britain to help keep people, drinking water and the environment safe from the impacts of our mining legacy. We are committed to doing this in a customer and community focused way.

We act with integrity, do what we say we will and listen and learn so that we can continually improve. Working with and through partners we provide a joined up response to maximise the outcomes that can be delivered. This helps us to deliver on our mission to 'make a better future for people and the environment in mining areas'.

Ensure sustainability

Scorecard outcome:

Make further clear progress on our journey to achieve net zero carbon by 2030 and to deliver wider environmental and social aspects of sustainability

In 2023-24:	Business plan target by April 2025:
• we reduced our greenhouse gas emissions from our estate, operations and travel by 21% against our baseline We now expect to reduce our greenhouse gas emissions by 40% against our baseline by April 2025 and will not achieve our 2025 target. The target has been impacted by the electric grid becoming more carbon intensive and challenges we have faced in sourcing solar panels that meet our social and environmental procurement commitments. We will conduct a full review of our renewables approach during 2024-25 and will prioritise progress in the years ahead	• we will reduce greenhouse gas emissions from our estate, operations and travel by 65% from our 2017-2018 baseline
• we built social and economic value into business cases, decision making and reporting and delivered a number of practical examples in local communities. See “Our work to enable social and environmental value” on page 40. We are on track to meet our 2025 plan target	• we will implement integrated reporting that uses evidence based and measured targets to show our commitment and progress on our sustainability goals
• we continued work to understand and recognise the impacts of climate change and extreme weather events on our estate and operations By April 2025 we will agree an initial, high level adaptation plan with further detailed actions to be developed beyond this business plan period. Our 2025 target will be partially met	• we will understand and recognise the impacts of climate change and extreme weather events on our estate and operations with a clearly defined adaptation plan
• we developed a nature recovery plan which delivers on the ‘being nature positive’ priorities of our sustainability plan 2023-26. We are on track to meet our 2025 target	• we will have a nature recovery plan and will demonstrate how our estate and operations are being optimised for nature’s recovery

We’re committed to becoming a more sustainable organisation and use our work to help deliver positive change in the communities we support. We have continued to deliver our sustainability plan which includes real consideration of environmental and social value and have embedded this further into our thinking and decision making processes across the organisation. We have continued to work towards further decarbonising our activities and to maximise opportunities for carbon sequestration on our sites. We are taking action to support resilient nature and wildlife by managing our sites and estate for nature’s recovery.

Work with others to create value

Scorecard outcome:

We will generate more value and deliver wider environmental and social benefit from our assets, services and work

In 2023-24:	Business plan target by April 2025:
• we enabled a second large mine water heat scheme in North East England which will be operational in 2024. We've continued our wider work and influencing to increase visibility of mine water heat, develop and enhance the pipeline of future opportunities, develop opportunity maps and reduce barriers for heat network investment We expect to enable 3 large operational schemes by 2025 and achieved further progress to support the sector. We expect this target to be partially met in 2025	• we will influence and enable 4 large operational mine water heat schemes across Great Britain
• we continued to make progress and ensure that less than 5% of the iron ochre and iron solids we generate go to landfill. This year 3% went to landfill and we are on track to deliver our 2025 target	• we will reuse or recycle 95% of the iron ochre and iron solids generated from our mine water treatment schemes to prevent disposal in landfill
• we increased our service delivery to partners by more than 50% from our 2021-22 baseline and are on track to exceed our 2025 target	• we will increase our service delivery to partners by 30% from our 2021-22 baseline of £2.49 million/year
• we continued to work with the lending industry to develop new products to support faster decisions and are on track to deliver our 2025 target	• we will assist the lending industry in making faster decisions for home buyers on the coalfields

Value creation (financial, environmental and social) is key to our thinking at the Coal Authority and we are constantly looking for new innovations and efficiency to deliver better outcomes, new opportunities and savings for the taxpayer. We're passionate about supporting past mining communities and use our information, skills and expertise to give confidence to those who live and work in these areas and to enable opportunity and benefit from mining legacy. We published our by-products opportunities framework in January 2024 and our mine heat opportunities framework in May 2024.

Sustainability plan

Create a great place to work

Scorecard outcome:

We will be an employer of choice where our people feel they can belong. We'll have an inclusive culture with a strong focus on wellbeing, learning and development. We take pride in delivering important work for the communities we serve and live our values

In 2023-24:	Business plan target by April 2025:
• we continued to make demonstrable progress by delivering the actions outlined in our equality, diversity and inclusion and anti-racism plans and are on track to deliver our 2025 target	• we will make demonstrable progress towards our workforce being more reflective of the diversity of the communities we serve across Great Britain
• we developed and implemented apprenticeship and work experience programmes and have taken practical action to better consider social mobility in our approaches. We are on track to deliver our 2025 target	• we will support levelling up by taking action to improve social mobility and providing apprenticeships for individuals who live on the coalfield and have a family connection to mining
• we benchmarked our health, safety and wellbeing approach using the British Safety Council Occupational Health and Safety Audit (achieving a strong 4 star rating) and are implementing the learnings and actions identified. We are on track to deliver our 2025 target	• we will achieve a British Safety Council 5 Star Health, Safety and Wellbeing Audit rating
• we continued to engage with colleagues and take action together on the learning identified in our 2022 people survey and to undertake a pulse survey and sought other feedback to inform progress. Our next people survey is in June 2024 and we believe we are on track to meet our 2025 target	• we will increase our employee survey engagement score by 10% against the 2019 benchmark of 67%

Great people are at the heart of what we do and we can only deliver the important work we do to keep people safe, protect drinking water and the environment and maximise opportunity if we can attract, recruit and retain them. To support that we focus on being a truly 'great place to work' that attracts diverse talent across Great Britain and helps colleagues feel valued and respected in their work. We invest in the skills of our people with many opportunities to learn, grow and develop. We are an employer of choice that is vibrant, dynamic and modern and promotes an inclusive, wellbeing centred culture underpinned by our values. We continue to deliver against our health, safety and wellbeing plan (2022-25), equality, diversity and inclusion strategy (2021-24) and our anti-racism plan (2022-25). We will publish our next equality, diversity and inclusion strategy in 2024-25.

Make us fit for the future

Scorecard outcome:

We will develop modern, resilient systems and processes that are fit for the future, support our people and make it easier for our customers and partners to do business with us

In 2023-24:	Business plan target by April 2025:
• we updated 70% of our strategic IT systems to run in the cloud delivering resilience and sustainability benefits We have taken learning through this work and have re-phased the programme where it would be more efficient not to migrate a few back office systems – for example where we are moving to a new supplier or system and it would be inefficient to migrate a system that will shortly be redundant. This means that we now expect to migrate 90% of our systems to the cloud by 2025 and this target will be partially met	• we will update 100% of our strategic IT systems and run them in the cloud
• 78% of our services are now digital by default (and 99% of our transactions with customers). No new transactional services were built in the year We have taken learning through this work and listened to feedback from customers and colleagues which has showed us that it is most cost effective and efficient to focus on the systems and services that matter most to our digital customers and to consider and protect other ways that some customers prefer to engage with us. This means that 89% of our services will be digital by default by 2025 and that our 365/24/7 phone line will remain the primary method of logging incidents and getting emergency support and response. 100% of our new transactional systems will follow GOV.UK standards. This target overall will be partially met in 2025	• we will make our digital services and information more accessible, relevant and with increased self-serve options – 100% of services will be digital by default and 100% of our new transactional systems will follow GOV.UK service and design standards
• we introduced and embedded new productivity tools, including a suite of Microsoft 365 products, to improve collaboration between colleagues and with partners. We are on track to deliver our 2025 target	• we will make demonstrable progress on implementing systems that allow simpler, improved collaboration within the organisation and with partners
• we published a data and information plan 2024-27 which describes how we will further modernise and develop access to our data and information and continue to improve our findable, accessible, interoperable and reusable (FAIR) assessment ratings for the benefit of our customers. We are on track to deliver our 2025 target	• we will make demonstrable progress in improving our FAIR data self-assessment ratings

We set out a high level of ambition through our vision and our 3 year business plan which need to be enabled through effective and customer focused systems and approaches. These support us to provide the core services that protect life, drinking water and the environment and allow us to maximise opportunities to create social and environmental value alongside value for the taxpayer. Our digital programmes and improvements are informed by feedback from our customers, partners, contractors and colleagues to support collaboration and make us easy to do business with. Our data and information underpins every piece of work we do as an organisation and helps others to make informed decisions – including conveyancing with confidence on the coalfield. We published our data and information plan in April 2024.

Data and Information plan

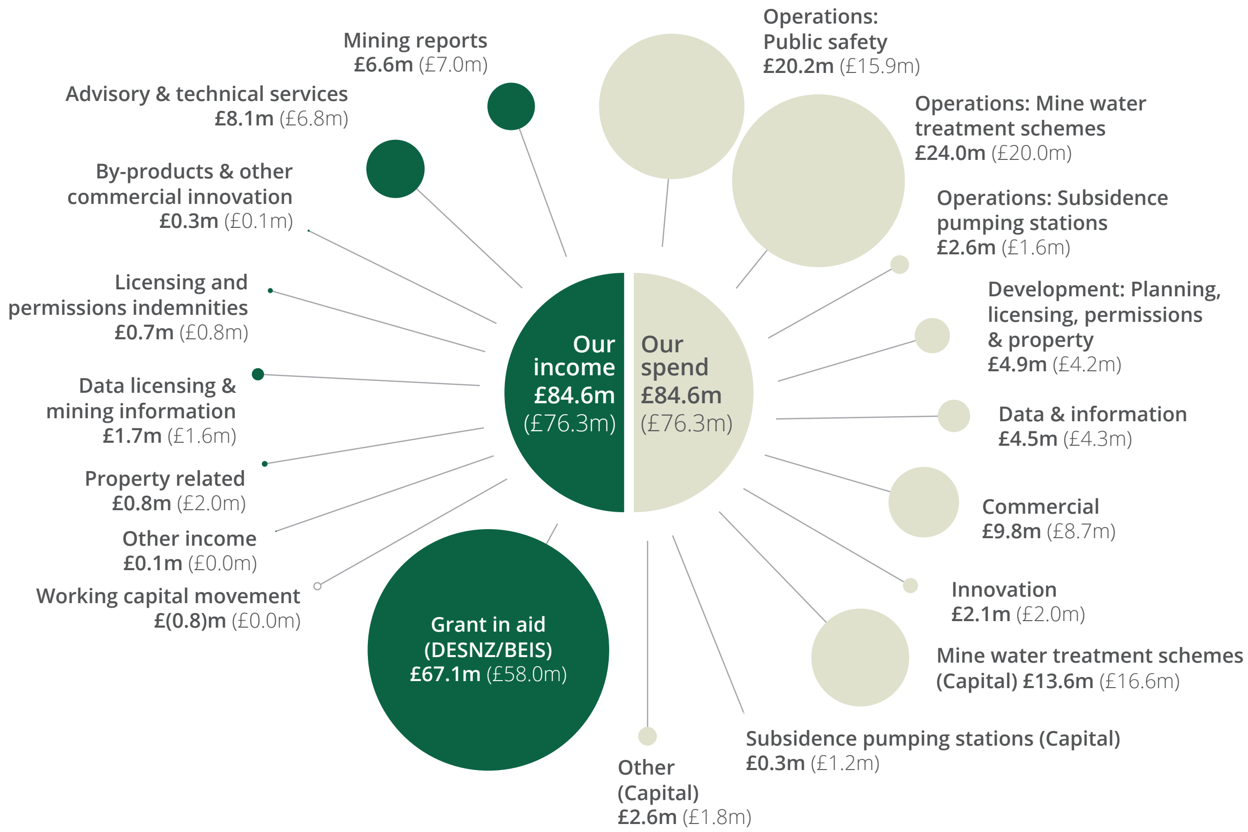
Financial review

We've delivered strongly over the year. Our incident response and public safety work has continued to keep people safe and provide peace of mind, and ongoing investment in our mine water schemes will enable us to treat mine water and protect the environment into the future. We've continued to grow our advisory services income as we support our partners to understand and manage their risks and provide information and services to help people make informed decisions.

We have worked closely with the Department for Energy Security and Net Zero to communicate the risks and sensitivities behind our funding requirements and have delivered in line with our forecasts. Grant in aid received from the Department for Energy Security and Net Zero in the year was £67.1 million (2022-23: £58.0 million) reflecting an increase in the net cost of our operations as outlined below. This is explained and illustrated by the following graphic (note that a significant proportion of this cost was provided for in previous years

How we used our money in 2023-24

2022-23 figures are shown in brackets



Income of £18.3 million per the Statement of Comprehensive Net Expenditure is the total of the income figures above excluding grant in aid and working capital movements as explained at note 13 (page 121) of the financial statements and is not charged directly to the Statement of Comprehensive Net Expenditure in the year).

Working with our partners we delivered a significant annual capital programme to protect watercourses, drinking water aquifers and prevent flooding. Operating expenditure on our schemes has continued to increase as a result of continued high levels of inflation, primarily affecting power costs, as well as in relation to the work we have commenced to assess options to protect watercourses and aquifers from the issue of inland salinity. Our ongoing programmes will minimise the future cost of running these schemes by employing innovative uses for our by-products. By generating other operational efficiencies, we have completed our first full year of deliveries of our ochre by-product to be used in anaerobic digestion. This has performed in line with our expectation and this initiative is expected to reduce our net cost by at least £1.0 million over a 5 year period.

Our expenditure on public safety is reactive and can vary from year to year. 2023-24 expenditure increased compared to previous years, reflecting the work we have completed and are currently undertaking to resolve a number of significant claims and incidents including significant projects to remediate mining features at Ashton-under-Lyne, Greater Manchester and Falkirk, Scotland.

Mining reports income of £6.6 million shows a £0.4 million reduction compared to prior year. This reflects a slow-down in property transactions, as well as our policy to make our data available and open up the market from a near monopoly position. Our advisory and technical services work generated income of £8.1 million (2022-23: £6.8 million) reflecting our continued success in working with others to deliver positive outcomes across government. 'This includes mine water scheme delivery for the Environment Agency and Department of Environment, Food and Rural Affairs in England and Natural Resources Wales and Welsh Government in Wales as well as our support to Welsh Government with the safe management of tips.

Financial statements

Our financial statements are dominated by the provisions balance of £1,611.0 million. The rationale and methodology for calculating this are shown at note 13 to the financial statements (page 121). As in previous years and in line with our accounting policy, this provision for resolving the impacts of past coal mining was reviewed at the end of the 2023-24 financial year. This balance has reduced by £600.0 million (2022-23: decrease of £3,407.0 million):

- In line with accounting practice we adjust our cash flows to reflect the time value of money based on assumptions and rates provided by HM Treasury. This year's change in rates has led to a reduction of £876.0 million (2022-23: reduction of £4,467.0 million).

- Our underlying cash flows, on which the provision balance is calculated, have been updated based on latest information and have increased by £383.0 million to £3,733.0 million. This recognises increases as a result of high rates of inflation, particularly affecting the construction, operation and maintenance of our mine water schemes, as well as reflecting the trend over recent years of managing an increasing number of complex public safety incidents. This change in underlying cash flows, after adjusting for the time value of money, has the effect of increasing the provision balance by £276.0 million.

Statement of Comprehensive Net Expenditure

Comprehensive net income for the year to 31 March 2024 was £534.6 million (2022-23: £3,347.5 million). The large difference between the 2 years is driven by the provisions movements outlined above. Excluding these provisions movements, comprehensive net expenditure for the year was £33.2 million (2022-23: £34.4 million), a decrease of £1.2 million.

The reasons behind this movement are outlined below.

Total Operating Income

Total operating income, which excludes grant in aid, was £18.3 million (2022-23: £18.3 million) and reflects our ongoing strategy to work collaboratively with government organisations to support them in managing their risks, whilst promoting competition in the mining reports market and enabling others to use our data and information to make informed decisions.

- Our advisory and technical services income has risen by £1.3 million, to £8.1 million. This is driven mainly through expanded metal mine programmes that we deliver for the Department for Environment, Food & Rural Affairs and Natural Resources Wales.

- A 6% year-on-year reduction to the size of the market, due to the effect of the prevailing economic conditions on the number of property transactions, combined with a small loss of market share during the year, has resulted in the reduction to mining reports income. Mining reports revenue has reduced by £0.4 million to £6.6 million, whilst data licensing and mining information revenue increased by £0.2 million to £1.7 million.

- The other change in our income from 2022-23 relates to the sale of properties with a reduction of £1.3 million profit on disposal of investment properties and proceeds from clawback arrangements relating to the historic sale of land (see note 4.2 to the financial statements on page 111). In particular, income from clawback arrangements can be unpredictable as its timing is largely outside of our control.

- Minor changes in by-products, rental income and other income account for the remaining increase of £0.2m.

Expenditure

- Staff costs of £23.1 million showed an increase of £3.2 million compared to the previous year. Pay award at 5% in line with civil service pay remit guidance, accounts for £0.9 million. The remainder of the increase is driven by headcount, needed to deliver increased front line services to the communities we serve. This includes protecting the environment through the delivery of our mine water scheme programme, undertaking feasibility work to assess options to manage inland salinity and providing more advice and technical services to our customers.

- Purchase of goods and services (not including front line costs previously provided) increased by £1.2 million to £11.9 million. The key parts of this are primarily a £0.8 million increase in external legal fees to 2 inquests, and £0.4 million of supply chain costs to support the increase in our advisory and technical services income.

- Depreciation, revaluation and impairment charges decreased by £5.7 million to £16.5 million. This reflects a reduced level of investment through our mine water treatment scheme programme and the timing of scheme completion. Under our accounting policy we immediately impair our schemes to nil net book value when they become operational.

More information is available in notes 3 (page 109) and 4 (page 110) to the financial statements.

Statement of Financial Position

Net liabilities at £1,600.5 million reduced by £601.4 million (2022-23: net liabilities at £2,201.9 million). This is driven by provisions against future liabilities, which has reduced by £600.0 million as a result of the review in provisions outlined above. Further information is available at note 13 (page 121) to the financial statements.

Cash Flow

At 31 March 2024 we held £15.6 million cash (2023: £13.2 million).

This includes £1.4 million (2023: £1.4 million) of ring fenced funds in respect of security called in from mining operators that have been liquidated.

There was a net increase in cash during the year of £2.4 million. Constituent parts of this movement were:

- The net receipt of £66.5 million from financing activities. The main part of this movement is the receipt of £67.1 million grant in aid from the Department for Energy and Net Zero (2022-23: £58.0 million). The increase, which is the major movement in our cash balance year on year, is drawdown from the department to cover working capital relating to three main areas: the operation of our mine water schemes, managing public safety claims and incidents and the delivery of our capital programmes.

- A net cash outflow from operating activities of £46.9 million (2022-23: £39.9 million). We have spent more this year on our operations, particularly as a result of the continued inflationary cost pressures in relation to the operation of our mine water schemes, on the emergency response to a burning tip at Beever Lane, Barnsley, in relation to a number of significant public safety claims and incidents, and an increase in external legal fees (as explained above).

- A net cash outflow from investing activities of £17.2 million (2022-23: £18.7 million). This relates to the purchase of property, plant and equipment as part of our ongoing programme to develop, build and maintain mine water schemes and subsidence pumping stations, and in the ongoing investment in our information technology and systems, as well as a reduction of £0.4 million of income (2022-23: £1.0 million) from the sale of properties owned or previously owned.

Going Concern

To the extent that they are not met from our other sources of income, our liabilities may only be met by future grants or grants in aid from our sponsor department, the Department for Energy Security and Net Zero. This is because, under the normal conventions applying to parliamentary control over income and expenditure, such grants may not be issued in advance of need.

Paragraph 14(1) of Schedule 1 to the Coal Industry Act 1994, states: “The Secretary of State shall, in respect of each accounting year, pay to the Coal Authority such amount as he may determine to be the amount required by the Coal Authority for the carrying out during that year of its functions under this Act.”

On that basis, the board has a reasonable expectation that we’ll continue to receive funding so as to be able to meet our liabilities. We’ve therefore prepared our financial statements on a going concern basis.

Case study:

Our work in Scotland

In March 2023 the Fire and Rescue Service contacted us about a ground collapse on an area of road and grassland on Thornwood Avenue in Ayrshire.

The collapse was secured to ensure public safety. Due to its location in a busy residential area the project manager quickly made contact with the local community to tell them what had happened and what the nature of our work would be.

Within the Coal Authority, the incident was considered a High Priority Incident. A bespoke webpage was created to help keep people up to date with the progress of the works on Thornwood Avenue and this information was shared with the residents through hand-delivered newsletters as well as on our social media channels.

Other key stakeholders within the local community, including local authority, as well as local councillors, were updated about the works due to the potential disruption to residents whilst the project was completed.

Local media regularly contacted us for updates on the works which helped us increase public understanding of who we are and what we do and shared our updates to a wider audience.

To investigate and treat the shaft, we installed a steel platform over the site to allow the works to be safely completed.

Parts of Thornwood Avenue had to be closed at various times throughout the project. The project team ensured that residents received timely updates through hand-delivered newsletters and face to face conversations.

Work was completed in 2023. We continue to engage with the community while monitoring and final landscaping takes place.

Our year in Scotland

We carried out
1,831
mine entry inspections

We determined
74
hazard and subsidence occurrences

We delivered
54,659
mining reports

We provided
1,052
planning consultation responses

We treated
31 billion
litres of water

We prevented
747
tonnes of iron solids from entering water courses

Health, safety and wellbeing

We have continued to make strong progress towards the objectives set out in our 2022-25 health, safety and wellbeing (HSW) plan. We have acted on the learning from the British Safety Council 5 star audit undertaken in February 2023 and implemented a practical action plan to further drive improvements across our health, safety and wellbeing system. We have refreshed our behavioural safety approach and continue to drive our positive culture, promoting safe behaviours.

Our new mobile health, safety and wellbeing management system is now fully embedded into our ways of working. Over the last year colleagues have been able to report positive behaviours and safety, health and wellbeing concerns, wherever is most convenient for them, leading to more efficient and timely reporting. We can review trends and gain targeted reporting through improved data collection. This means that we can further reduce risk and enable good practice.

We promote an inclusive, wellbeing-centred culture across our organisation. This year we launched a new wellbeing plan, with key actions to support the physical, mental and emotional, social and financial wellbeing of our people. We regularly talk about health and wellbeing issues on colleague engagement calls and run focused information campaigns. Our November 2023 colleague pulse survey showed that 87% of our people believe that we provide good support for employee health, wellbeing and resilience.

Our staff engagement groups and colleague networks enable timely action and feedback to be given.

We work closely with contracters and partners to ensure site operations are carried out safely. We monitor and report on performance and raise areas of concern in a timely manner. We require incidents and near-misses to be fully reported and investigated promptly with actions implemented to agreed deadlines. We share learning and good practice with contractors and partners to reduce risk across the sector. As our programmes grow and become more complex we will maintain and strengthen this engagement.

We've worked closely with the Health and Safety Executive Mines Inspectorate and partners such as the British Drilling Association to raise awareness of safety risks associated with drilling in coal mining areas. This improves knowledge and understanding and has allowed us to seek feedback to improve our permitting processes.

In January we supported the inquest into the tragic death of Christopher Kapessa on our site at Abercwmboi, South Wales in 2019. We have taken action since 2019 and put in place additional learning from the coroner's prevention of future deaths report following the inquest. This includes a new water safety procedure to sit alongside our public sites and safety processes.

Measure		2023-24	2022-23
Proactive	HSW observations – unsafe acts (staff and contractors)	1,624	1,962
	HSW observations – good practice examples (staff and contractors)	499	574
	HSW inspections (staff)	483	322
Reactive	Accidents – no time lost (staff and contractors)	7	11
	Accidents – lost time (staff)	2	1
	Incidents – RIDDOR (staff and contractors)	1	2

Our 2023-24 statistics show good levels of proactive monitoring and a reduction in our accident rate. There have been fewer unsafe acts and good practice examples reported overall which is related to there being less projects in construction than the previous year. The Reporting of Injuries, Diseases and Dangerous Occurrence Regulations (RIDDOR) reportable accident involved a contractor's employee sustaining a lower leg fracture caused during a lifting operation. Root causes of the accident were found to be inadequate risk assessment and method statement and inadequate supervision of the activity. These issues were addressed by reviewing the documentation and providing refresher training to operatives. We have shared the learning with our supply chain.

There has been a significant increase in health, safety and wellbeing inspections, which reflects our culture, the ease of reporting through our new online system and an increased number of colleagues across the organisation.

We are proud of our health, safety and wellbeing performance, but we are not complacent and continually strive to improve. We recognise that proactive monitoring provides the best opportunity to identify risks and take preventative action. Where accidents do happen, we are committed to ensuring they are investigated, lessons are identified and actions taken to prevent a future recurrence.

Over the coming year we will be developing our next 3-year health, safety and wellbeing plan to continue to further strengthen our culture and performance.

HSW plan

Our year in England

We carried out
6,257
mine entry inspections

We determined
704
hazard and subsidence occurrences

We provided
6,838
planning consultation responses

We delivered
63,175
mining reports

Our work in England

On the 2 August 2022 we were made aware of an underground coal seam fire in the Gawber area of Barnsley, Yorkshire. Coal seam fires are extremely rare, especially in residential areas. This fire was several metres underground in the coal pillars left from coal mining carried out in the 1890s and was caused by the burning of waste on an adjacent piece of land.

Our project team worked closely with South Yorkshire Fire and Rescue Service who reported the fire. We worked to establish the scale and severity of the underground fire and used our historical mining records and thermal imaging drones to understand how the fire was spreading. Our work revealed that the coal seam fire was slowly spreading underground beneath several gardens and towards a residential property and we worked in partnership with fire service colleagues to agree the best way of managing the fire.

We worked with the local community to agree the best response for everyone. The family in the property closest to the fire were keen to remain in their home to minimise disruption to their children's schooling and daily routine. We worked with them to keep them safe and plan the extensive works needed around their schedule. Regular thermal surveys ensured that the family's safety was monitored and we planned work to minimise risk and had contingency plans in place in case they were needed.

All the families impacted were supported by our customer service team and the project managers involved to ensure that they were kept up to date and were able to inform and agree garden reinstatement work to their satisfaction. We worked closely with Barnsley Metropolitan Borough Council and the wider community to minimise road and pavement closures and disruption and ensure access to the nearby school and nursery. Together we sent regular messages to the local community, the local MPs and other key stakeholders. Working closely with those affected and listening to feedback was essential to make this complex incident response a success.

Coal seam fires are challenging to extinguish as the coal provides a constant fuel source that continues to smoulder. Our work focused on preventing the spread of the fire and reducing its air supply by drilling multiple holes in the ground and filling them with a grout material. Where coal was close to the surface we also dug out and removed some of the burning coal pillars. Once the fire was extinguished we continued to monitor the area using thermal drone surveys. These showed no further 'hot spots' over a period of 6 months and we are confident that our response and approach has been a success.

We treated
96 billion
litres of water

We prevented
2,932
tonnes of iron solids from entering water courses

Our people

We have continued to evolve to reflect the increased growth of the organisation and increased frontline services that we are providing. We've transformed our approach to recruitment and onboarding and continued to focus on learning and development, colleague engagement and wellbeing to be an employer of choice. This ensures that we have people with skills, confidence and empathy to support communities and solve the complex problems that we face on a 24/7/365 basis.

In November 2023 we held a pulse survey and we are pleased to report that 90% of colleagues completed the survey with:

- 74% of colleagues satisfied with our total benefits package, an increase of 18% from our previous survey
- 80% of colleagues saying they achieved a good work life balance
- 90% of colleagues saying they were treated with respect

We continue to hold colleague engagement events on key themes to build on learning from our people surveys and to use our staff engagement group, staff networks, fortnightly all colleague calls and annual all colleague event to listen and discuss ways to make us an even greater place to work, and more able to deliver the important work we do across the 3 nations we serve. We have seen employee turnover reduce during the year to 10.1% compared to 18.4% in 2022-23. We're reaching more candidates through our approach to recruitment and seeing high numbers of excellent applicants for most roles – including a 50% increase in ethnically diverse candidates. All our hiring managers have attended our ready to recruit training and we have continued to embed more inclusive approaches to allow everyone to give their best through the application process, including our guaranteed interview scheme for ethnically diverse and disabled candidates. 5.29% of our colleagues now share that they are from an ethnically diverse background which is a 3% increase since we launched our anti-racism plan in 2022.

Our pay gap report shows that our gender diversity is increasing over time. 45% of our colleagues are female compared to 39% in 2018 and we've seen a 2.62% increase since last year. Our gender pay gap is steadily closing over time. Since we started collecting data in 2018 our mean pay gap has reduced from 28% to 16% and our median from 26% to 17%. This reporting year our mean gender pay gap has widened slightly by 2% and our median gender pay gap reduced by 1.35%. This is largely driven by having more male than female colleagues and specifically more men than women in senior leadership and technical roles that attract higher levels of pay. We are working to close this and already have more women in leadership positions – with 6% more women in the upper quartile this year. This includes women joining us in senior leadership positions and women progressing into more senior roles. The report also shows ethnicity, disability and sexual orientation pay gaps and how our action plans will help us make further progress over time. We know we have more to do and are continuing to improve.

Social mobility remains important to us and we continue to encourage applications from former mining areas and those with a family connection to mining. We have 4 current apprentices and

Craig from our environment projects and delivery team at a mine water treatment scheme at Devil's Bridge, Aberystwyth

have redeveloped our work experience policy in partnership with a school local to our head office in Mansfield, Nottinghamshire ready to pilot new work experience placements in 2024-25.

We continue to invest in learning and development and have refreshed our approach to include rolling out access to the Government Campus training platforms to more effectively access accredited learning and development opportunities from across the public sector. As we continue to grow and deliver increased services, further innovation and embrace AI and new digital technologies, we know that we need to continue to develop our skills and expertise to maximise the opportunity and value that we can deliver for the taxpayer.

During the year we launched our wellbeing plan which builds on the progress we've already made to support and empower colleagues to manage their own wellbeing and support the wellbeing of others. Mental health support and an understanding of the financial pressures that our people can face coupled with life pressures and global uncertainty makes support more important than ever. We continue to train and support our mental health first aiders, promote our Health Assured employee assistance programme for employees and their families, provide access to medicals and discounted health care provision, free flu jabs and a range of discounts from the UK's most popular retailers and service providers through our employee benefits platform Edenred. We also continue to develop our 'best in public sector class' people policies and continue to offer role appropriate hybrid working and encourage flexible working to promote work-life balance for the individual, whilst maintaining the ability to deliver for the people and communities we serve across Great Britain.

We will continue to work over the year ahead to ensure that we truly are a great place to work for everyone, where people feel valued, supported, developed and included and that we are recognised as a great employer so that future colleagues also want to work for us. This makes us more able to invest in our people and listen and learn in order to do this.

Pay gap report

Diversity and inclusion strategy

Anti-racism plan

Our work to enable environmental and social value

During 2023-24 we worked with Durham Wildlife Trust and Scottish Woodlands to develop and implement an ecological restoration plan for an area of previous ancient woodland at Hag Wood in County Durham to support nature's recovery and deliver environmental and social value for the local community and area.

Hag Wood is a 46 acre woodland near Chester-le-Street in County Durham. The area was previously classified as ancient woodland which means that it was covered in native trees since at least the 1600s. In the 1960s most of the native woodland was cleared to enable conifers grown for commercial use to be planted in their place.

We bought the site in 2004 to treat mine water pollution that flows into the Cong burn which flows through the woodland. Our monitoring showed that the site was naturally treating the mine water due to the natural terracing of vegetation in the burn which means that the iron and other metals in the water settle out from the water and the mine water meets water quality standards when it leaves the wood. This shows the power of nature and how it can remediate pollution with the right support. We manage the area carefully to ensure that this natural treatment can continue and that it happens in a way that does not damage the wider woodland environment.

In the past few years we have been taking advice from experts in woodland management and considering how we best restore Hag Wood to its previous native woodland and support ancient woodland indicator species. We've developed an ecological restoration plan for the area to inform the action we should take to achieve this.

During 2023 we felled the non-native conifer trees on the site and supplied the timber to local mills under the Forestry Stewardship Scheme which assures that the timber products come from responsibly managed forests which provide environmental, social and economic benefits. Throughout, we have taken learning from the adjacent wood managed by Durham Wildlife Trust and worked with Scottish Woodlands Ltd to manage the project and seek the necessary permissions to enable the trees to be felled and the woodland restored to native broadleaves.

Our felling work has created the dappled sunlight conditions necessary to restore the diverse woodland flora characteristic of ancient woodland. We have already identified 15 ancient woodland indicator species which have clung on under the dark conifer canopy and can now flourish again.

We've carefully planted native broadleaf species and encouraged natural regeneration from existing native species on the site such as oak, beech, holly and hazel trees which will grow on to restore the site and promote a more diverse ecosystem.

Our work supports our ambition of being nature positive which is a key theme of our sustainability plan and will create environmental value for the area. We are working with local partners and the community to improve access and create social value from the site for current and future generations. New permissive footpaths will be developed to complement existing public rights of way through the wood and we will provide interpretive boards explaining the history of Hag Wood, the important role it plays and how it sits as part of the wider North East Community Forest project which is a 30 year, multi-million pound project by a range of councils, charities and partners to plant trees and create liveable, sustainable communities which help to tackle climate change and biodiversity collapse, support regeneration and provide opportunities for relaxation and leisure.

Sustainability plan

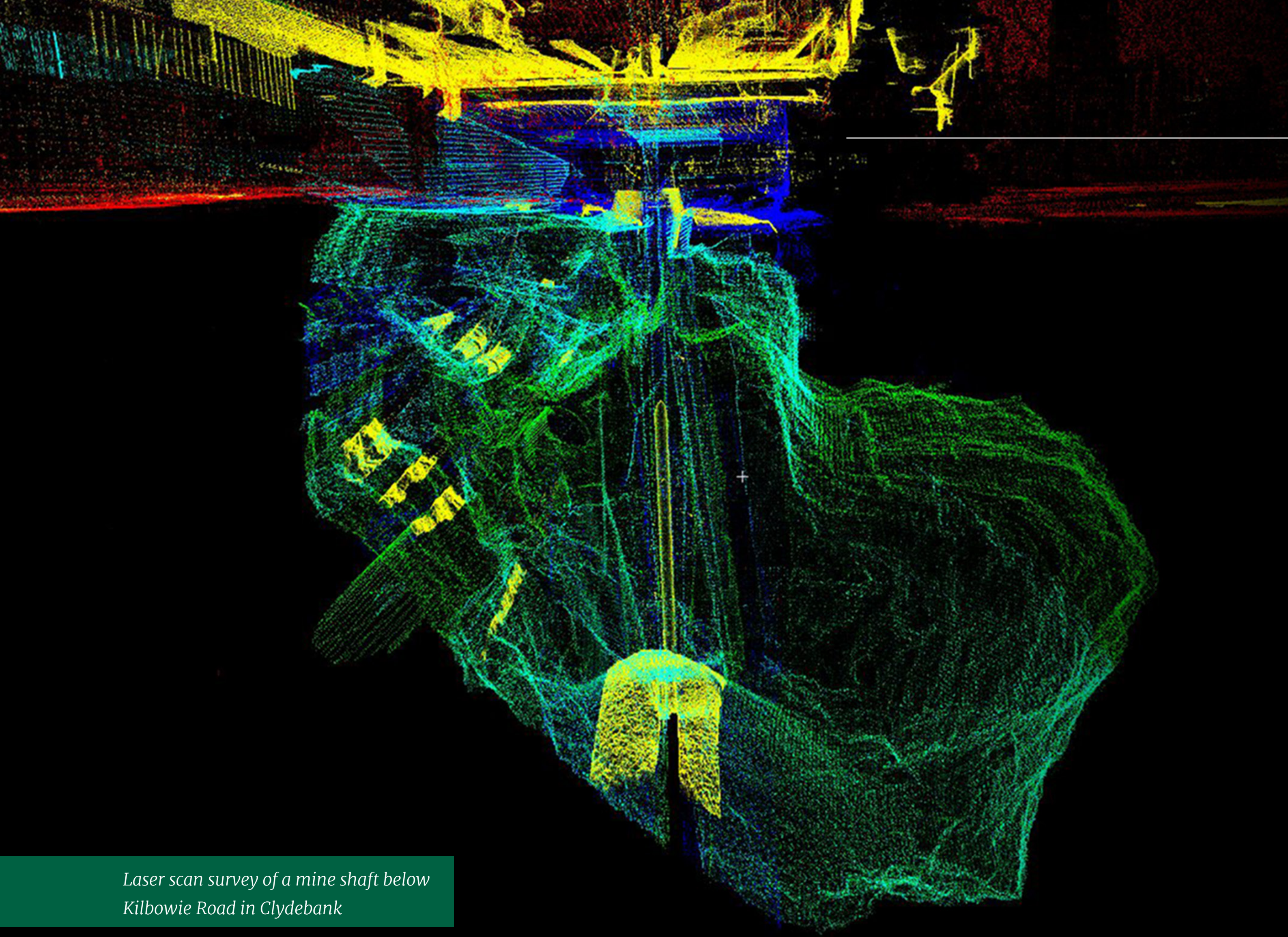
North East Community Forest

Strategic risks

Risks	Updates and mitigation	Relative rating
Public safety risk A significant hazard caused by past coal mining or incident at a Coal Authority legacy site causes serious injury or fatality.	We have well-established processes to manage this risk including proactive inspection and communication programmes and a 24/7 triaged response line. We adopt a proportionate response to manage this risk but it cannot be eliminated.	High (stable)
Changing climate and extreme weather events We are unable to adequately understand, adapt to and mitigate the effects of the changing climate and extreme weather events, impacting our assets and ability to deliver our remit.	Our significant capital build and refurbishment programmes are designed to ensure that our schemes mitigate and prevent pollution and flooding. We continue to develop our understanding of the impact of climate change adaptation and extreme weather events on our estate and operations. This will help to shape our future programmes.	High (stable)
Saline mine water from inland coalfields Due to the saline nature and location of mine water within central coalfields, potential solutions may be complex and require significant additional funding.	Analysis of our extensive monitoring of England's inland coalfields demonstrates that the chemistry of the mine water is extremely challenging and in the long term will require additional treatment to that normally undertaken. We are continuing our work to understand the scale and distribution of this issue, and working with our partners are making good progress to develop sustainable options to remedy the risk.	High (stable)
Incidents The scale or concurrency of critical/major incidents impact on the ability of the Coal Authority to achieve its strategic objectives.	The Coal Authority maintains its category 2 responder status, underlining our significant role in the response to emergencies and incidents that happen on the coalfield. We proactively raise awareness of historic mining hazards with partner organisations including through our Mine Safe programme.	High (stable)

Risks	Updates and mitigation	Relative rating
Supply chain An increasingly restricted and competitive labour market, inflation and other factors increases pressure on our supply chain leading to a lack of, or increased costs to, materials and contractors required to deliver our strategic objectives.	We have good visibility of pipeline work and engage early with our suppliers. We continue to monitor and work with stakeholders to maximise the attractiveness of our opportunities and the resilience of supply chains where possible. We liaise with the Department for Energy Security and Net Zero commercial team and have regular conversations with our supply chains. External factors influencing this risk are currently relatively stable.	Medium (decreasing)
Cyber security failure World political climate, growing digital dependency, increasingly sophisticated and innovative means of attack leads to a cyber security failure resulting in financial or data loss, disruption to service or damage to reputation.	We continue to monitor the global risk landscape and continually maintain and improve our extensive technical controls. We understand that a positive cyber security culture is key in maintaining an effective defence and promote training to raise awareness with all colleagues.	Medium (stable)
Government policy Policy and legislation changes in areas relevant to our work, including increasing differences in priorities across the 3 nations we serve caused by further devolution, cause inefficiency, legal challenge, uncertainty or reputational impacts.	We continue to work with the 3 nations we serve in delivering our work to maximise the delivery of UK and national outcomes.	Medium (stable)
Data/information Due to lack of resource or prioritisation of investment, we do not evolve our authoritative data quickly enough, leading to an inability to deliver against our strategic objectives and create value.	We have built a 'fit for the future' programme structure which will be embedded during 2023-24. We published our detailed data and information plan in 2023-24.	Medium (decreasing)

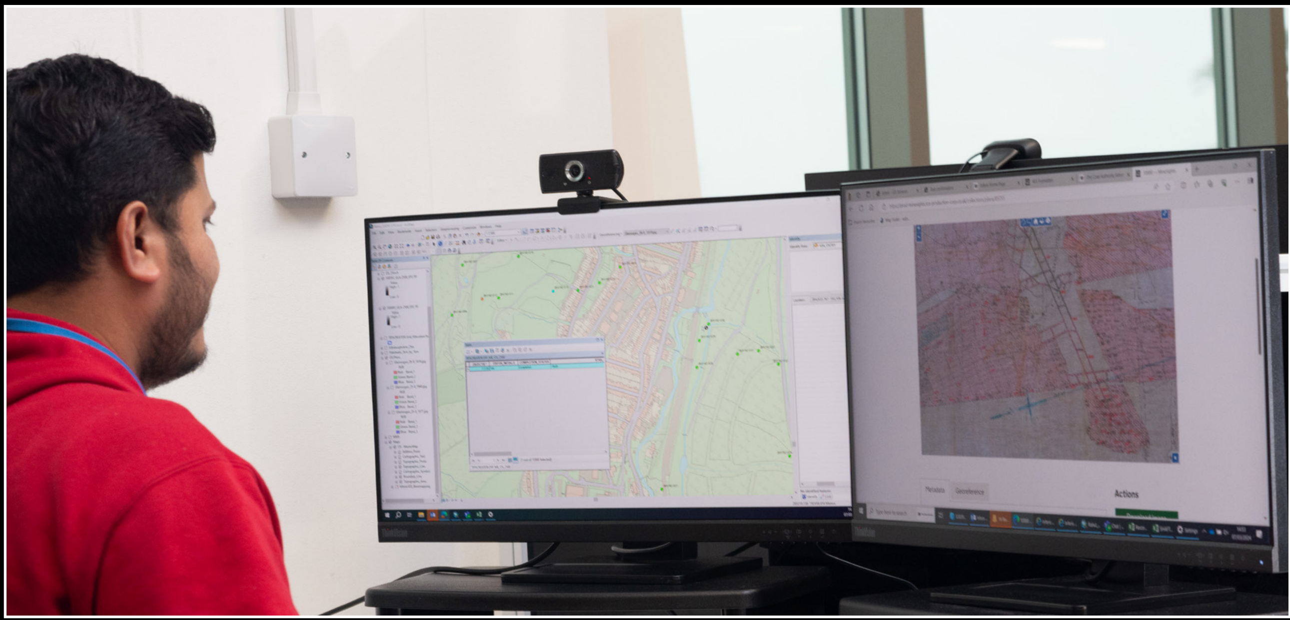
Risks	Updates and mitigation	Relative rating
Health, safety and wellbeing We fail to identify and properly manage health and safety risks resulting in fatality, injury, ill health or poor wellbeing to anyone affected by our activities and/or assets.	We prioritise our people's safety and wellbeing and have robust and proactive processes and procedures to manage our health, safety and wellbeing risks. We adopt a proportionate response to manage this risk but it cannot be eliminated.	Medium (stable)
Innovation Due to limited internal resources or internal and/or client processes, product or service development/delivery may take longer than planned, leading to delays in value creation and/or cost savings.	We rolled out the use of our ochre in anaerobic digestion to generate operational efficiencies and prevent waste going to landfill. We have made good progress in developing a mine water energy opportunities pipeline, collaborating with the Department for Energy Security and Net Zero, British Geological Survey and other organisations to maximize our success.	Medium (decreasing)
Governance Failure to adequately evolve our internal governance frameworks at the pace of increasing organisational growth and complexity leads to breaches of control which impact reputation and external confidence.	We have governance control frameworks in place and recognise the need for these to continue to evolve with the pace of organisational change. We are developing our programme and contract management assurance capabilities to manage the increasing size and complexity of our programmes.	Medium (decreasing)
Public and partner awareness Ineffective engagement and communication leads to public and stakeholders not having a clear understanding of our remit and activities, resulting in lost opportunities and adverse impacts on outcomes.	We continue to improve our stakeholder engagement to local resilience forums and regional resilience partnerships covering the coalfield. We have introduced new stakeholder engagement processes and held engagement events in each of the 3 nations we serve over 2023-24. Further events are being planned for the coming year.	Low (decreasing)



Laser scan survey of a mine shaft below Kilbowie Road in Clydebank

Our work to unlock value from our data and information

We manage the Great British archive of underground coal mine workings with our earliest record dating back to 1690. Coal mine workings sit beneath 25% of properties in Great Britain and our data and information is used daily to support our operational work – for example in responding to mining related incidents and emergencies, identifying hazards, designing mine water treatment schemes that prevent mine water from polluting drinking water, rivers and the sea and in providing reports to support the property market. Our data is also used extensively by others and is essential to making a better future for people and the environment in mining areas.



In April 2024 we published our data and information plan which outlines how we will continue to develop and update our data and information over the next 3 years to meet the needs of our business and customers. Running throughout the plan is our commitment to make our data more accessible by others. We have made our data free of charge for projects and activities funded by the taxpayer in recognition of the important role of the public sector in funding and delivering work for public safety, infrastructure and environmental protection.

We are exploring how our data can be used for new and innovative work – for example to enable the take up of mine water heat across Great Britain. Over the last year we worked with Ordnance Survey to understand the types of buildings and the demand for heating and cooling in Great Britain's coalfields. These new maps work especially well alongside the mine heat maps we developed in 2020 with the British Geological Survey which show the heat potential across our historic mine workings. The maps show that there are more than 6 million homes and 300,000 offices and businesses above abandoned coal mines that could benefit from mine water heat schemes. Both sets of maps are available on our free to use interactive viewer and we are encouraging their use by local authorities, housing developers, businesses and other partners in their decision making about future developments and the decarbonisation of existing buildings.

We continue to support the understanding and take up of mine water heat schemes through research. In 2023-24 we set up a "living lab" to monitor the operational mine water heat scheme in Gateshead. The data will help us to clearly demonstrate the thermal and hydraulic behaviour of mine water heat schemes and the monitoring data is provided on an open access basis.

Alongside our projects, we continue to invest in our systems and digital infrastructure to ensure it is fit for the future. In 2023-24 we successfully moved more than two-thirds of our digital systems from office-based servers to a new resilient and secure cloud environment. This allows us to efficiently store and process complex datasets and build and deploy online data services that support our people and make us easier for our customers to do business with us. We will make further improvements and continue to improve the accessibility of our customer facing services in the year ahead.

Data and Information plan

Living laboratory

Interactive Viewer

Sustainability and the environment

We've made progress against our 2023-26 sustainability plan which embeds our commitment to be a more sustainable organisation and is a core theme of our business plan and 10 year vision. We have set ambitious targets and whilst we have made clear progress on several priorities (nature positive, supporting the circular economy, enabling social value and empowering sustainable change in particular) we have made less progress than we hoped against our greenhouse gas emissions and plans for adapting to climate change. We have taken learning and will increase our efforts in the year ahead.

We have seen a rise in our emissions this year due to the extremely wet winter which means that we have had to use more energy pumping and treating mine water to prevent pollution. We've assessed the renewables potential and priorities across our estate but have faced delays in our solar panel installation due to procurement challenges. Practical implementation of our renewable energy programme is a key priority in the year ahead. We've continued to make progress in other ways on our emissions as you can see in the key successes section and the detailed tables below. We've completed an initial review of the wide range of considerations for our climate change adaptation plan and will produce an interim plan by the end of 2024-25.

We've made strong progress on our nature recovery priorities and continued progress on our other priorities – supporting the circular economy, enabling social value and empowering sustainable change. This includes increasing the amount of recycling of our wastes – especially waste from desludging and reedbed refurbishment of our mine water treatment works with less than 3% of our ochre and iron solid waste now going to landfill. Our information and services have enabled 260 hectares of regeneration and safe development for coalfield communities to support social value and levelling up and we've created additional social and environmental value at 8 sites. We've published our nature recovery plan and undertaken biodiversity baselining. We've developed sustainability informed cost benefit tools for use by our operations teams and embedded social value and sustainability metrics into our new contracts.

We are continuing to improve our data collection, analysis and reporting in line with the UK Greening Government Commitments. You can see our reporting on the following pages.

Sustainability plan

During 2023-24, key successes include:

- increasing the zero or ultra-low emission vehicles in our fleet to 75%
- reducing greenhouse gas emissions from the direct use of fossil fuels by 16%
- undertaking sub-metering to better understand our energy profile at our Mansfield office

- re-using or recycling 97% of our waste[1]
- selling iron ochre for use in anaerobic digestion (supporting the circular economy and reducing waste to landfill)
- reducing single use plastics at our Mansfield office by 90%

- implementing our ecological restoration plan for Hag Wood site (see our case study on page 40)
- completed high level biodiversity baselining at 77 sites as part of our nature recovery work
- published our nature recovery plan

1 This includes all waste from our Mansfield office and all waste from our mine water treatment schemes with the exception of our metal mine scheme at Wheal Jane, Cornwall which goes to a specialised mining waste facility for potential future recovery when technological and economic conditions allow.

Ric, an ecologist in our environment team, on site monitoring species and developing plans for further planting and nature recovery.

Our greening government commitments

You can read more about the UK Greening Government Commitments here[1]
*2017-18 is our baseline year.

Power	2023-24	2022-23	2017-18*	
Power generated through our direct use of fossil fuels (kWh)	996,740	1,137,505	4,151,179	This relates to liquefied petroleum gas (LPG) purchased for our Mansfield office for heating and diesel fuel oil used in generators at operational sites. We're using less diesel fuel oil on sites as we've switched to grid connections for pumping tests where possible. There has been an increase in the LPG purchased and stored for use at our Mansfield Office.
Total Greenhouse Gases (GHG) emissions from the direct use of fossil fuels (tCO2e)	245.01	290.94	1,141.29	
GHG emissions head office from the direct use of fossil fuels (tCO2e)	8.46	5.89	13.70	
Purchased electricity (kWh)	30,482,157	26,478,211	20,494,016	Energy use has increased as we have pumped 17% more mine water at our operational sites during the year. This is predominantly due to wet weather creating more mine water to pump. We have also added 1 new treatment scheme.
Total GHG emissions from purchased electricity (tCO2e)	6,858.16	5,588.76	7,878.51	
GHG emissions head office from purchased electricity (tCO2e)	243.09	239.70	364.94	
Renewables generated (kWh)	984,540	932,282	189,966	We've generated more energy from our solar installations due to increased sunshine over the summer months. We've not been able to use all the increase as it hasn't happened when we've needed power the most (wet winter) so more has been exported to the grid. This helps to support electricity grid decarbonisation.
Renewables used (kWh)	671,502	725,954	165,501	
Renewables exported to the grid (kWh)	313,037	206,328	24,465	
Carbon intensity (kgCO2e/kWh)	0.221	0.207	0.364	Overall the electricity grid has become more carbon intensive. This has increased our carbon intensity as we've needed to use more electricity from the grid at peak pumping times which have been when our solar energy produces less energy.

1 https://www.gov.uk/government/publications/greening-government-commitments-2021-to-2025

Power	2023-24	2022-23	2017-18*	
Total head office power related GHG emissions (tCO2e)	**251.55**	**245.59**	**378.64**	Small increase as a result of increased occupancy at our Mansfield office increased the LPG purchased and stored for use.
Total power related GHG emissions (tCO2e)	**7,112.17**	**5,879.70**	**9,019.80**	Emissions have increased due to our increased demand for pumping and an increase in the carbon intensity of the electricity grid.
Total expenditure on energy use	**£8,433,478.84**	**£6,345,257.46**	**£4,348,855.17**	Expenditure has increased due to our increased demand for pumping and higher energy costs through this period.

Fugitive emissions	2023-24	2022-23	2017-18*	
Refrigeration and aircon (tCO2e)	6	46	6	A leak in the Mansfield office air conditioning was detected and repaired 2022-23 which resulted in the higher emissions.

Business related travel	2023-24	2022-23	2017-18*	
Kilometres (km) travelled	1,504,063	1,340,761	1,799,174	We have travelled further this year responding to incidents and undertaking our work and partnership engagement but we have reduced the intensity of our emissions from travel by reducing the emissions of our fleet and using more public transport.
Number of flights	0	4	73	
GHG emissions (tCO2e)	207.66	201.42	305.9	
Intensity (tCO2e/100,000km)	13.81	15.02	17.00	
Total expenditure on travel (domestic and international)	£455,631.29	£302,932.96	£354,537.00	
% fleet vehicles that are ultra low emission or zero emission vehicles (hybrid or full electric)	75.0%	54.1%	0%	We've taken action to change the composition of our fleet. Figures are at 31 March 2024.

Waste	2023-24	2022-23	2017-18*	
Total waste (tonnes)	30,895[2] (26,950[3])	20,237[2] (17,621[3])	1,417[4]	Since 2022-23 we have included waste from the Wheal Jane metal mine we manage for Defra in our annual figures. We show the numbers without Wheal Jane in brackets for closer comparison with the baseline. Wheal Jane waste goes to a mining waste facility at the site with potential for future resource recovery subject to technology and economic conditions. Our mine water treatment wastes have increased from the baseline year as we more accurately measure this waste, carry out more desludging and reedbed refurbishment and build more schemes. Quantities vary annually depending on our refurbishment programme and how much mine water needs to be treated each year (related to rainfall). We continue to focus on maximising alternative uses for our waste to turn them into useful products and minimise waste to landfill. We aspire to reach 0% waste to landfill.
Mansfield office waste recycled (tonnes)	4.49	3.55	12	
Waste recycled (tonnes)	26,015	15,756	0	
Wheal Jane Waste (tonnes)	3,945	2,616	Not recorded	
Mansfield office waste to landfill (tonnes)	0.04	0	6.9	
Waste to landfill (tonnes)	926	1,859	1,405	
Waste incinerated (energy from waste) (tonnes)	4.1	2.26	0	
ICT waste	0	0	0	We reuse, repurpose or recycle our ICT equipment.
% head office waste to landfill	0.9%	0%	37%	Improved reporting has identified that a small residual amount of ash from our Mansfield office incinerated waste goes to landfill
% waste to landfill[5]	3.0%	9.2%	99.2%	We've continued to focus on work to minimise the percentage of waste which goes to landfill.
Total expenditure on waste disposal	£8,157.00	£6,220.14	£3,175.71	This relates to the costs of waste disposal from our Mansfield office waste in line with greening government commitment guidance.
No. Items Consumer Single-Use Plastics (CSUPs)	11,210	110,341	Not Recorded	We've continued to focus on reducing single use plastics at our Mansfield office in line with the plan we developed last year.

2 Includes all mine water treatment scheme wastes including Wheal Jane
3 Includes all mine water treatment scheme wastes but excluding Wheal Jane for closer comparison to baseline
4 Includes waste from active mine water treatment schemes (Dawdon and Ynysarwed) but excludes other mine water treatment scheme and Wheal Jane wastes
5 Excludes Wheal Jane, which is stored in a mining waste facility and stored ochre for reuse

Resources – water use	2023-24	2022-23	2017-18*	
Water use (m^3) – Mansfield office	932	819	1,910	Water use at our Mansfield office increased in 2023-24 as more people returned to office working. Usage remains down from 2017-18 due to improved water efficiency measures and continued hybrid working. Water is used in the chemical process on some of our mine water treatments sites. We have improved our systems to collect data on usage which is more accurate than the original estimated baseline and we will work to make reductions from here, including using smart metering to get better understanding of use and more accurate billing.
Mine water sites (m^3)	15,969	15,820	3,075[6]	
Total expenditure on water	£54,840.43	£22,582.52	£65,259.32	

Resources – paper use	2023-24	2022-23	2017-18*	
Paper use (reams A4 equivalent)	305	246	718	Paper usage has increased as more people attend the office.

6 Estimated from average usage

This performance report has been approved by the chief executive and accounting officer.

Lisa Pinney MBE
Chief Executive and Accounting Officer
15 July 2024

Fiona, a member of our mine water heat team

Accountability report

Accountability report

The accountability report meets key accountability requirements to Parliament. The requirements are based on the Companies Act 2006, as adapted for the public sector.

It encompasses the matters required to be dealt with in a directors' report and in the remuneration and staff report, as set out in chapter 6 of the Companies Act.

It covers information including directors' salaries and other payments, governance arrangements and the audit certificate and report. It is signed and dated by the accounting officer.

The accountability report consists of 3 main parts. These are the:

1. **Corporate governance report**, dealing with the Coal Authority's governance structures and how they support the achievement of the Coal Authority's objectives

2. **Remuneration and staff report**, containing information about senior managers' remuneration and other staff related disclosures required by the Companies Act and other governmental sources

3. **Parliamentary accountability and audit report**, comprising additional disclosures required by Parliament, and a view on such matters as regularity of expenditure, fees and charges and long term expenditure trends. It includes the audit certificate and report.

Corporate governance report

The corporate governance report consists of 3 main parts. These are the:

1. **Directors' report**, which covers a variety of statutory disclosures not outlined elsewhere in the annual report and accounts

2. **Statement of accounting officer's responsibilities**, which sets out clearly the responsibilities assumed with respect to the annual report and accounts by the nominated accounting officer, and the legislative basis for them

3. **Governance statement**, which explains the composition and organisation of the Coal Authority's board and governance structures and how they support the achievement of the Coal Authority's objectives.

Statement of the accounting officer's responsibilities

Under paragraph 15(1)(b) of Schedule 1 to the Coal Industry Act 1994 the Secretary of State, with the consent of HM Treasury, has directed the Coal Authority to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Coal Authority and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the accounting officer is required to comply with the requirements of the government financial reporting manual and in particular to:

- observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards, as set out in the government financial reporting manual, have been followed, and disclose and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis; and
- confirm that the annual report and accounts as a whole is fair, balanced and understandable and take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable

The accounting officer for the Department for Energy Security and Net Zero has designated the chief executive as accounting officer of the Coal Authority. The responsibilities of an accounting officer, including responsibility for the propriety and regularity of the public finances for which the accounting officer is answerable, for keeping proper records and for safeguarding the Coal Authority's assets, are set out in Managing Public Money published by the HM Treasury.

As the accounting officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Coal Authority's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Directors' report

The Coal Authority presents its report and audited financial statements for the year ended 31 March 2024. The accounts have been prepared in a form directed by the Secretary of State with the consent of HM Treasury in accordance with paragraph 15(1)(b) of Schedule 1 of the Coal Industry Act 1994 ("the Act"). The accounting officer authorised these financial statements for issue on the date of certification by the Comptroller and Auditor General.

Functions, duties and powers of the Coal Authority

The powers and functions of the Coal Authority were initially set out in legislation by the Coal Industry Act 1994 and the Subsidence Act 1991 (as amended by the Coal Industry Act 1994). We assumed our functions on 31 October 1994.

These functions are set out at **https://www.gov.uk/government/organisations/the-coal-authority/about/publication-scheme** and relate to the coal industry and the management of interests inherited from the British Coal Corporation, licensing of coal mining operations, dealing with coal mining subsidence and providing information.

The 1994 Act has been further amended by subsequent legislation, including the Water Act 2003 and the Water Services (Scotland) Act 2005. This has extended the Coal Authority's powers to prevent or lessen the effect of the discharge of polluted water from a coal mine onto any land or into watercourses.

The Energy Act 2011 extended the Coal Authority's powers to use its expertise in other non-coal mining related contexts including action to protect water quality from the effects of polluted mine water discharge from abandoned mines, as required by the Water Framework Directives.

Review of operations

The chief executive's report (page 14) gives a summary of our activities during the year and the future outlook.

Finance risk management

The governance statement sets out the governance structures that we've used to monitor and control risk and the board's approach to risk management. This, with the performance report, also identifies and discusses the significant risks and the mitigation in place. We've a strong system of financial control and active financial risk management. We've no borrowings and rely on grant in aid and other income to fund our cash requirements.

We therefore have minimal exposure to liquidity, credit and cash flow risk. All assets and liabilities are denominated in sterling and so there is no exposure to currency risk. We do not hold any assets that are directly impacted by interest rate movements nor do we engage in any hedge accounting.

We hold some items on the Statement of Financial Position that are discounted using rates specified by HM Treasury, specifically provisions. HM Treasury vary these discount rates from time to time, which will affect both the Statement of Financial Position and the Statement of Comprehensive Net Expenditure. In 2023-24 this was a decrease of £876 million (decrease of £4,467

About the Coal Authority

million in 2022-23 and an increase of £2,759 million in 2021-22). Please refer to note 13 (page 121) in the accounts.

Future developments

Our future developments and objectives have been discussed in other areas of the annual report, including the chief executive's report and the strategic risks section of the performance report.

Research and development activities

We undertake a range of research and development activities to improve the efficiency of our operations and in particular reduce the long term net cost of treating mine water. This includes finding uses for our by-products (for instance iron ochre) and promoting the use of mine water flowing through abandoned mine workings as a source of geothermal heat and low carbon energy. Updates on these initiatives are outlined within the performance report.

Post balance sheet events

We've no post balance sheet events requiring disclosure.

Branches outside the UK

We've no branches outside the UK.

Donations

We made no political or charitable donations during the year.

Employee involvement

We're committed to engaging with staff throughout the business as outlined in our people report (page 38).

Employment

We're committed to equal opportunities and have a strong focus on diversity and inclusion. This commitment means that decisions to appoint, reward, train, develop and promote are taken on the basis of skills and abilities, matched against the requirements of the job.

We continue our work to attract, develop and maintain a more diverse workforce. We are making progress but know there is more to do and we will keep delivering against our equality, diversity and inclusion plan to create a great place to work for everyone.

We seek to attract and retain high calibre employees. Opportunities for training are given high priority to ensure that all staff can contribute to their own career development.

Pensions and other post retirement benefits

Former and current employees who have chosen to join are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which is an unfunded multiemployer defined benefit scheme. The accounting policy is given in note 1 (page 97) to the accounts and further information about the scheme is provided in the remuneration and staff report.

Personal data

There were no Information Commissioner's Office (ICO) reportable data breaches during the year. The governance statement on page 63 provides further details of our information risk management activities.

Long term expenditure trends

Long term expenditure trends are reviewed by the directors as part of the annual review of provisions. Please see note 13 (page 121) to the accounts.

Auditors

The Comptroller and Auditor General was appointed under the Coal Industry Act 1994 and reports to Parliament on the audit examination. The audit fee was £100,000. No remuneration was paid to our auditors for non-audit work and no other services were provided.

Access to information and complaints

As a public body, we've a duty to answer requests under the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations 2004 (EIR).

We received 100 requests (FOIA, EIR and Subject Access Requests) during the year. All requests except 2 have been answered within the statutory deadline or agreed extensions. We have taken learnings from the 2 exceptions and strengthened our processes.

3 requests have gone to appeal and in each case a Coal Authority official, independent from the original process, upheld the Coal Authority's initial decision. One of these requests was further appealed to the ICO and upon receipt of the ICO's initial opinion, the Coal Authority agreed to amend its processes to make the requested information available.

We received 28 letters from Members of Parliament, 1 from Members of the Scottish Parliament and 5 from Welsh Senedd Members.

We received 34 complaints from members of the public and other customers. One complaint was referred to the ombudsman. All other complaints were dealt with under our complaints procedure and resolved within the organisation. Our complaints procedure can be found on our website **www.gov.uk/coalauthority**

Complaints procedure

The Coal Authority at gov.uk

Board of directors

Board and their interests

No board member of the Coal Authority has any financial interest in the Coal Authority. A register of interests is maintained which is open to the public to view at our offices in Mansfield or can be accessed at **https://www.gov.uk/government/organisations/the-coal-authority/about/publication-scheme**.

There were no related party transactions in respect of board members in 2023-24.

Executive Directors

Lisa Pinney MBE
Chief Executive

- appointed as chief executive from 1 June 2018
- appointed as board director from 1 June 2018 to 31 March 2020
- reappointed every 3 years to 31 March 2026

Paul Frammingham
Chief Finance and Information Officer

- appointed as board director from 1 April 2011 to 31 March 2014
- reappointed every 3 years to 31 March 2026

Carl Banton
Operations Director

- appointed as board director from 22 March 2021 to 31 March 2023
- reappointed to 31 March 2026

Non-Executive Directors

Jeff Halliwell
Chair

- appointed as chair from 1 April 2021 to 31 March 2024
- Reappointed as chair from 1 April 2024 to 31 March 2027

Steve Wilson (until 31 March 2024)
Non-Executive Director

- appointed as board director from 1 April 2017 to 31 March 2020
- reappointed to 31 March 2023
- reappointed to 31 March 2024

Jayne Scott
Non-Executive Director

- appointed as board director from 1 April 2019 to 31 March 2022
- reappointed to 31 March 2025

David Brooks
Non-Executive Director

- appointed as board director from 1 April 2022 to 31 March 2025

Bev Smith
Non-Executive Director

- appointed as board director from 1 April 2023 to 31 March 2026

Kate Denham
Non-Executive Director

- appointed as board director from 1 April 2024 to 31 March 2027

Sebastian, Research and Insights Manager, engaging with our partners

Governance statement

Our governance statement explains the governance, risk management and control arrangements we have in place to ensure achievement of the Coal Authority's objectives. It explains how we ensure that these remain effective as the Coal Authority evolves so that we can continue to make a better future for people and the environment in mining areas.

The Coal Authority's governance framework

We're committed to high standards of corporate governance. We work within a framework document that is reviewed and agreed periodically with the Department for Energy Security and Net Zero. The latest version of this can be found here[7]. It sets out the purpose of the Coal Authority, the core elements of our relationship with our sponsoring body and the framework within which we operate.

The Coal Authority has an established governance framework supported by an appropriate organisational culture and this is summarised in the diagram below and further explained through the statement.

7 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1075164/BEIS_Coal_Authority_Framework_Document.pdf

1. The board and its committees

1.1 Board of directors

The Coal Authority has an established governance framework supported by a board of directors. The board sets and communicates strategic intent and direction, makes strategic decisions that cannot be delegated and monitors and challenges corporate business performance.

Non-executive directors are recruited and appointed to the board by the Secretary of State for the Department for Energy Security and Net Zero. Statutory executive directors are recruited to their posts by the board and appointed to the board by the Secretary of State for the Department for Energy Security and Net Zero.

During 2023-24 we held 3 board stakeholder events, one each in Scotland, Wales and England. Alongside these meetings the board made site visits to Annette Street in Glasgow, Scotland; Hartington mine water scheme and Morton Colliery in Derbyshire, England and Ynysarwed & Glyncastle mine water treatment schemes

			Number of meetings (held) and attended			
			Board (7)	**ARAC** * (4)	**People and Remuneration** (6)	
Non-executive directors	Jeff Halliwell	Chair of Board	**7**	N/A	**5**	
	Jayne Scott	Chair of Audit Committee	**6**	**4**	N/A	
	Bev Smith	Chair of HSW and SMWPA Committees	**5**	**3**	**5**	
	David Brooks	Chair of People and Remuneration Committee	**7**	1	**6**	
	Steve Wilson	Chair of Environment and Sustainability Committee	**7**	**4**	N/A	
Statutory executive directors	Lisa Pinney MBE	Chief Executive	**7**	3	6	
	Paul Frammingham	Chief Finance and Information Officer	**7**	3	N/A	
	Carl Banton	Operations Director	**7**	N/A	2	

Bold font indicates membership of this committee in 2023/24. Other directors may attend this committee by invitation.
* Audit and risk assurance committee
** Health, safety and wellbeing committee
*** Saline mine water programme assurance committee

in Neath Port Talbot, Wales. Other board and committee meetings are held in person or by use of videoconferencing to obtain the benefits of a hybrid approach.

The innovation and engagement director, people and resources director, salinity programmer director and community and emergency response director attend the board by invitation. Other senior managers attend the board or committees

	HSW ** (3)	Environment and Sustainability (3)	SMWPAC *** (2)
	1	2	N/A
	N/A	**2**	N/A
	3	**2**	**2**
	3	2	N/A
	1	**2**	**1**
	3	3	2
	N/A	N/A	1
	1	3	1

to present papers, join strategic discussions and support their learning and development.

During 2023-24 the Coal Authority had 8 statutory directors (5 non-executive and 3 executive).

Steve Wilson left the Coal Authority Board at 31 March 2024.

In February 2024 Kate Denham's appointment as non-executive director was announced. Kate's formal tenure began on 1 April 2024. She attended the January 2024 audit and risk assurance committee (ARAC) and January 2024 meeting of the board as an observer.

With effect from 1 June 2023 the board established the saline mine water programme assurance committee which provides scrutiny and assurance of our inland salinity programme. The committee is chaired by Bev Smith.

In 2023-24 the Coal Authority also supported the Board Apprenticeship Programme, with an apprentice joining the board on a 12 month unique learning, development and placement programme. The programme seeks to enable a wider diversity of individuals to play their part in our boardrooms.

1.2 Board performance

Compliance with the corporate governance code

We comply with the corporate governance code in central government departments and government guidance in so far as is relevant and practical for an arm's length body of our size and complexity. In line with our framework document:

- the board monitors the Coal Authority's performance in an effective manner, including playing an active role in managing stakeholder relationships

Coal Authority framework document

- the board constructively challenges and helps to develop strategy, supported by the effective leadership of the chair who oversees a high standard of discussion and debate at meetings

- the board receives accurate, timely and clear information to support its decision making, which is concise and fit for purpose. This includes frequent updates on the Coal Authority's financial position, and a corporate scorecard showing achievement against corporate objectives

- the board ensures that a balanced and reasonable assessment of performance is reported to the Department for Energy Security and Net Zero and regularly debates the main risks facing the Coal Authority. Through its audit and risk assurance committee the board maintains sound risk management and internal control systems

- the board annually reviews the Coal Authority's corporate governance documentation and the terms of reference for the board's sub-committees

- the board has an appropriate balance of skills and experience to enable it to discharge its responsibilities effectively

- the people and remuneration committee agrees executive remuneration within the guidelines set by HM Treasury and the Department for Energy Security and Net Zero. Non-executive remuneration is set by the Department for Energy Security and Net Zero and reviewed annually

Board performance and effectiveness review

The board undertakes regular evaluation of its own performance and that of its directors. All board members' performance is appraised annually.

Our most recent board effectiveness review was undertaken during December 2022 and was externally facilitated. This review considered how the board works together and how different personality types can best engage. It highlighted areas for the board to be aware of in its decision making. We captured actions from this alongside an ongoing board committee structure review and agreed these at the January 2023 board. We have made good progress and expect to close the remaining actions, which relate to developing longer term forward looks for the board and its committees and inviting more external speakers to our meetings, by June 2024.

The board has agreed the terms of reference for its next review, in line with the Cabinet Office arm's length body board effectiveness review principles – this will take place between May to July 2024. The board undertakes regular strategy and development sessions outside of formal board meetings to reflect on key aspects of its work, and board members undertake site visits both individually and collectively.

The board reviewed its collective objectives during 2023-24 and agreed new objectives for 2024-25. The board agreed that it has substantively achieved its objectives and continued to operate effectively during 2023-24.

1.3 Board Committees

Audit and risk assurance committee (ARAC)

The ARAC comprises 3 non-executive director members. During 2023-24 the committee was chaired by Jayne Scott, non-executive director, who has recent, relevant financial experience, with the chief finance and information officer as the nominated executive lead.

Standing attendees are the chief executive as accounting officer, the chief finance and information officer, the head of finance, and the head of business planning, risk and governance. Internal and external auditors are usually invited to attend all meetings of the committee. Other senior managers attended the committee to present papers and join discussions.

The committee ensures that we operate effective and integrated risk management and control systems to ensure the overall level of assurance is adequate. It reviews external audit strategy and outcomes, recommends the approval of the annual report and accounts, and oversees the internal audit function provided by the Government Internal Audit Agency (GIAA). The committee met 4 times during the year.

During the year the committee has:

- continued to focus on financial reporting risk and reviewed our accounting policies, including review of significant judgements made in preparing the accounts and assumptions underlying our provisions balance
- received regular updates on the risk management and assurance framework, fraud prevention strategy and the Coal Authority's work to manage cyber risk
- undertaken a "deep dive" session with board and executive leadership team members to consider the Coal Authority's risk assurance processes and challenge specific strategic risks in detail
- reviewed internal audit reviews undertaken by GIAA including:
  - procurement strategy and controls
  - great place to work programme
  - salinity programme management
  - key financial controls – counter fraud
  - government functional standards assurance
  - cyber security

The internal audit opinion for 2023-24 offered management a 'moderate' level of assurance over the adequacy and effectiveness of the framework of governance, risk management and internal controls of the organisation. It also provided recommendations to enhance controls in specific areas. These have been adopted as appropriate.

The people and remuneration committee
The people and remuneration committee comprises 3 non-executive director members. During 2023-24 the committee was chaired by David Brooks with the people and resources director as the nominated executive lead.

The people and remuneration committee met 6 times within the year and has continued to support the Coal Authority in improving organisational capability to meet future business requirements.

The committee held its annual light touch effectiveness review in March 2024, and agreed several areas for continuous improvement, including further inclusion of external voices and greater consideration of wider attendees for specific items where it would add value.

During the year the committee has considered:

- personal development review (PDR) distribution for 2022-23 to ensure the equitable distribution of performance related pay
- the pay remit principles prior to submission to government
- pay gap reporting
- regular updates from the staff engagement group
- continued engagement on the actions from our 2022 people survey
- people related management information and analytics for areas such as absence, employee retention, recruitment and equality, diversity and inclusion (EDI)
- the organisation's approach to recruitment and development

- progress with the great place to work theme of our business plan

- the committee heard from an external speaker

Health, safety and wellbeing (HSW) committee

The HSW committee comprises 3 non-executive director members. During 2023-24 the committee was chaired by Bev Smith with the community and emergency response director as the nominated executive lead.

The committee's main responsibilities are to provide oversight of the Coal Authority's health, safety and wellbeing plan, ensure a positive health and safety culture is embedded throughout the organisation and advise the board on health, safety and wellbeing matters to support the business plan.

The committee met 3 times during the year.

During the year the committee has considered:

- the annual management review which provides assurance on the suitability, adequacy and effectiveness of the safety, health and environment (SHE) management system and proposed future objectives to enable continued improvement

- health, safety and wellbeing culture and behaviours

- health, safety and wellbeing risks and associated assurance

- the British Safety Council's 5 star audit of the organisation

Environment and sustainability (E&S) committee

The E&S committee comprises 3 non-executive director members. During 2023-24 the committee was chaired by Steve Wilson with the operations director as the nominated executive lead.

The committee's main responsibilities are to provide oversight of the Coal Authority's sustainability plan, and advise the board on environment and sustainability matters to support the business plan.

The committee met 3 times during the year.

During the year the committee has considered:

- the organisation's new sustainability plan

- the organisation's environmental management system

- sustainability and environmental compliance

Saline mine water programme assurance committee (SMWPAC)

The board implemented a new committee to provide assurance over a significant new programme to treat inland saline mine water. This programme is in its early stages and is currently undertaking feasibility studies and options analysis.

During 2023-24 membership of the SMWPAC committee was 2 non-executive directors, the chief executive, chief finance and information officer, operations director, salinity programme director and head of salinity programme. During 2023-24 the committee was chaired by Bev Smith with the salinity programme director as the nominated executive lead.

The committee's main responsibilities are to review and provide challenge to the overall delivery strategy for the programme to ensure it meets strategic requirements, manage the Coal Authority's risk exposure to an appropriate level and take account of learnings from industry best practice.

The SMWPAC committee reviews detailed information on the saline minewater programme to gain assurance on programme delivery.

The committee met twice during the year.

During the year the committee has considered:

- progress against key programme milestones
- the programme's governance and approval processes
- the programme's financial position
- mitigation of key programme risk and issues

2. Performance management – executive leadership team

The executive leadership team (ELT) comprises the chief executive, the chief finance and information officer, the operations director, the people and resources director, the innovation and engagement director, the community and emergency response director and the salinity programme director. Each of these report directly to the chief executive.

Each director is responsible for the leadership and delivery of their directorate and is also collectively responsible for leadership and delivery across the organisation.

During 2023-24 ELT meetings were also attended by the head of legal, the head of development and a further head of department who attended meetings as a development opportunity on a 6 monthly basis.

Fortnightly business meetings have a formalised rolling agenda which considers all aspects of the organisation's work. The meeting also considers the chief executive's monthly update report which provides a high level oversight of how the business is performing as a whole and normally includes:

- a review of organisational performance
- a financial summary report
- a review of movements against the Coal Authority's corporate risk
- information on our people and the health, safety and wellbeing of our people, suppliers and the public
- updates from each directorate and programme board (quarterly)

ELT also holds monthly strategy meetings which generally consider more strategic and longer term items which require more in depth discussion, steer and shape.

3. Financial control

The Coal Authority has a strong system of financial control based on well-defined levels of delegated authority and a clear budgetary framework. This system has remained effective with no significant control issues noted by internal or external audit during the year.

Matters reserved for the board are clearly set out in the framework of strategic control with further detailed guidance in respect of policies, procedures and delegated authority levels published and available to staff.

The investment and opportunities board is an important part of our financial controls framework and has delegated authority from the chief executive to approve capital expenditure, key programmes, projects and commercial opportunities provided they are:

- in line with the Coal Authority's strategy as set out in its 3 year business plan agreed by the board
- within the board's risk appetite
- not a matter reserved to a government department
- in line with other government guidance relevant to the Coal Authority

Once programmes and projects have been approved by the investment and opportunities board they are overseen by a relevant programme board with the investment and opportunities board receiving regular updates and providing further oversight as required.

As part of our financial control framework we undertake an annual detailed review of our provisions for liability arising from past coal mining. Our business teams validate key assumptions and revise estimates that feed into this balance based on latest information.

This is followed by comprehensive review and challenge by our finance team and members of the ELT and analysis of drivers behind our provisions balance and key movements are presented to the audit and risk assurance committee. Outputs from the provisions model feed into our annual financial statements (see note 13 to the accounts on page 121) as well as providing a framework for our detailed budget setting and medium term business planning.

4. Risk management

4.1 Embedded risk management and culture

We have focused on continual improvement of our risk management and assurance processes to promote real time reporting and good quality conversations across all levels of the organisation. Risk management is live and embedded within a culture that encourages real-time discussion and ownership of risks. This is evidenced by:

- clear alignment of our strategic risks to our business plan
- a full review of our risk appetite statement by our board, with continued use of risk appetite into our discussions and decision making, including through the investment and opportunities board framework
- ongoing ARAC support, scrutiny and challenge including a deep dive review of our 3 lines of assurance
- processes that ensure, in line with our framework of strategic control, any issue or project that falls outside the board's risk appetite is formally considered by the board for decision
- monthly risk reviews at a directorate level including horizon scanning and deep dives across directorate and department level risks
- a revised and improved annual risk review process for strategic and directorate level risks
- a risk register that is live, regularly updated and subject to quarterly management sign off, periodic ARAC, ELT and business team review
- an in-depth review of our risk management and assurance framework, building on the UK Government's Orange Book and current best practice
- ongoing communication of the Risk Management and Assurance Framework and high levels of engagement at risk management workshops

4.2 Information assurance and cyber security

The Coal Authority does not hold top secret or secret information and the inherent information risk posed to government through the Coal Authority is relatively low. The senior information risk owner (the chief finance and information officer) is a board member and ensures that proportionate controls are implemented to manage information risk in line with the board's risk appetite.

Current global issues continue to lead to a heightened cyber security threat assessment by the National Cyber Security Centre (NCSC). We recognise that a positive cyber security culture is key to maintaining an effective defence. Over the year we've continued to undertake a range of communications to improve information security awareness and improve our staff's understanding of cyber risks through ongoing cyber awareness training, blogs and phishing campaigns to ensure that staff can recognise threats.

We have an appropriate risk assessment, information risk management and data protection policy and an information asset register. We proactively monitor the threat landscape and promote awareness of threats to our supply chain.

We manage our overall information risk using appropriate technical controls, processes, procedures and training. We continually improve our technical controls and a technical security strategy of strength through depth has been effective in trapping threats. We're not aware of any significant breaches of security or policy or loss of personal protected information during the year.

4.3 Risk assessment

Aligned to our 3 year business plan we have identified the key threats and opportunities which could potentially impact achieving our objectives, and regularly discuss mitigation at an ELT and board level. Further explanation of the risks and control measures is provided in the strategic risks section of the performance report.

We do not attempt to eliminate risk but pursue opportunities to make a better future for people and the environment by ensuring risk is considered and managed. Explicit reference to risk appetite allows us to adopt a common language across the Coal Authority and provides a framework for managers to confidently make risk based decisions.

5. Other considerations

5.1 Alexander tax review

The Coal Authority has complied with the Alexander tax review off-payroll procedures as per HM Treasury requirements to ensure any off-payroll staff are paying the appropriate income tax and national insurance.

5.2 MacPherson review (2013) of quality assurance

The Coal Authority does not currently operate any business critical analytical models as defined in the MacPherson review (2013).

5.3 Counter fraud (including anti-bribery, anti-corruption) and whistleblowing

We're committed to creating a transparent environment and have a robust policy framework including clear policies for counter fraud (incorporating bribery and corruption) and whistleblowing. Each policy provides guidance to staff and is part of the induction process. These policies are reviewed on an annual basis for relevance and clarity, before being briefed to staff and published on our intranet.

Assessment of activity and feedback confirms that policies are well understood, effective and easy to use. The board is particularly committed to ensuring that staff feel empowered, supported and protected should they need to raise any areas of concern.

5.4 Preventing modern slavery

We have updated our modern slavery statement and approach in relation to supporting the requirements of the Modern Slavery Act 2015.

6. Partner body review

During the year the Coal Authority has been subject to the first stage of a Cabinet Office arm's length body review. We look forward to the outcome being shared in due course.

7. Robust and continually improving control environment

As outlined in the performance report, our organisation is continuing to develop as we manage larger and more complex programmes of work to keep people safe, provide peace of mind and protect and enhance the environment. Our business plan is ambitious and we will continue to evolve our organisation

Coal Authority framework document

to make a better future for people and the environment in mining areas.

We are aware that in order to support this we need to continue to further develop our governance and controls. During 2023-24 we have continued to promote an even stronger risk management culture, further improved our counter fraud awareness and executed our action plan, and continued to strengthen cyber security controls.

In my last governance statement I highlighted a breach of a Cabinet Office digital spend control approval limit during 2022-23 and the immediate action that the Coal Authority took to self-report this and identify actions to prevent reoccurrence. In addition to this, during 2023-24 we became aware of a mine water treatment scheme project with expenditure booked at £5.4 million as at 31 March 2023, above the £5 million delegated limit per project that required separate departmental approval. We gained retrospective approval from the Department for Energy Security and Net Zero. This project had been included in the overall mine water programme capital budget approved by the Department for Energy Security and Net Zero.

We believe these incidents to be isolated in the context of an overall strong control environment. Notwithstanding this, to ensure the lessons learned from these incidents are fully embedded and that we develop our governance and controls at an appropriate pace, we set up a governance task and finish group to work over the last half of the year. This group has identified quick wins to make our frameworks even more robust and easier for our people to understand and made some medium term recommendations to the ELT and ARAC for ongoing improvements to our framework.

Ongoing work will include the further professionalisation of programme and project management as mentioned above (section 6) and a continued strengthening of our contract assurance capability.

We realise that it is important to ensure that we are not complacent and we will continue to review and evolve our control environment to ensure that it stays proportionate and effective as the external environment and our organisation continue to change.

8. Effectiveness of control environment

The system of governance, risk management and control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control has been in place in the Coal Authority for the year ended 31 March 2024 and, as illustrated, up to the date of approval of the annual report and accounts, in accordance with HM Treasury guidance.

Based on all of the elements of the Coal Authority governance framework illustrated in the diagram on page 63, I am satisfied that the Coal Authority's governance, risk management and internal control arrangements are proportionate, fit for purpose and working as intended.

Remuneration and staff report

Introduction

This report has been prepared in accordance with the government's financial reporting manual. The report is made by the accounting officer on behalf of the board on the recommendations of the people and remuneration committee. As part of the accountability report, the remuneration and staff report details key information relating to salaries and other payments, and any exit payments or other significant awards to current or former senior managers. It also contains certain policies on pay, wider issues and statutory disclosure relating to such issues as fair pay and off-payroll engagements.

The following tables and sections within this report are subject to audit:

- non-executive directors' remuneration
- executive directors' remuneration
- executive directors' pension entitlements
- average numbers of persons employed
- staff and related costs
- reporting of civil service and other compensation schemes
- pay multiples

The people and remuneration committee

As explained in the governance statement, the Coal Authority has an established people and remuneration committee. This determines and keeps under review the pay and reward strategy for all staff of the Coal Authority and reviews the principles of the pay remit for submission to the Secretary of State for the Department for Energy Security and Net Zero. The committee's terms of reference prescribe that the chief executive shall not be present when their remuneration and conditions of employment are being considered.

Remuneration policy for the executive directors

The people and remuneration committee reviews and makes recommendations about the remuneration of the executive directors including the chief executive. All executive pay is agreed within the framework of the senior civil servant pay remit guidance set by Cabinet Office.

The Trade Union (Facility Time Publication requirements)

Under the above regulations the Coal Authority is required to provide details of trade union time. For 2023-24, there is no activity to report.

Staff turnover

36 employees left the organisation during the year, a percentage of 10.1%, compared to a percentage of 18.5% in 2022-23. We have seen a reduction in our turnover rate back to levels seen prior to the COVID-19 pandemic. This is partly market driven but also a reflection of our focus on ensuring that the Coal Authority is a great place to work for everyone. More can be read about this in our people report on page 38.

Staff sickness absence

Overall average working days lost per staff year was 5.6, broadly in line with 2022-23 at 5.9 days. Colleagues who have extended periods of absence are supported in their return to work through occupational health assessments and the use of our employee assistance programme.

Performance development reviews (PDR)

The executive directors participate in our PDR process. Individual assessments are made by the chief executive and reviewed by the chair and the people and remuneration committee. The chief executive's assessment is made by the chair and reviewed by the people and remuneration committee. Appraisal of individual colleague performance is based on the achievement of defined objectives and behaviours assessed against 4 performance scores.

Performance related pay (PRP)

Performance related pay is non-contractual and non-pensionable and is subject to obtaining annual approval via the pay remit process from the Department for Energy Security and Net Zero. The pay remit for 2023-24 was approved by the Department for Business, Energy and Industrial Strategy (the predecessor of the Department for Energy Security and Net Zero) in July 2023.

Performance related pay is earned based on a corporate award so that it reflects both corporate and individual performance against objectives. Corporate performance for 2023-24 has been assessed by the board at 100% and performance related pay has been awarded accordingly.

The following sections of the Remuneration and Staff Report (pages 75-84) are subject to audit.

Executive directors' contracts

It's our policy that executive directors should have employment contracts with an indefinite term providing for 6 months notice.

The details of the executive directors' employment contracts are shown below:

	Date of continuous service	Notice entitlement to be given by the Coal Authority
Lisa Pinney MBE	1 June 2018	6 months
Paul Frammingham	6 May 2008	6 months
Carl Banton	5 January 2004	6 months

The notice period to be given by a director to the Coal Authority is: by the chief executive, 6 months, and by the remaining executive directors, 3 months.

Non-executive directors' remuneration

Non-executive directors have been appointed by the Department for Business, Energy and Industrial Strategy/Department for Energy Security and Net Zero in line with the code of practice issued by the commissioner for public appointments. Their terms of engagement and remuneration are determined by the Department for Energy Security and Net Zero. They are not eligible to participate in the pension schemes or to receive PRP.

The fees paid to the non-executive directors are shown below:

	Contract end date	2023-24 £	2022-23 £
Jeff Halliwell	31 March 2027	27,050	27,050
Steve Wilson	31 March 2024	11,666	11,666
Jayne Scott	31 March 2025	11,666	11,666
David Brooks	31 March 2025	11,666	1,944
Bev Smith	31 March 2026	11,666	845

Kate Denham was appointed in January 2024 and undertook induction activities during the period to March 2024. During this time she received remuneration of £2,917. Kate Denham's formal tenure as a non-executive director began on 1 April 2024.

Executive directors’ remuneration

	Salary £000		Allowance £000		PRP £000		Pension benefits £000		Total £000	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23[8]	2023-24	2022-23
Lisa Pinney MBE	145-150	140-145	-	-	15-20	15-20	58	55	220-225	210-215
Paul Frammingham	105-110	95-100	5-10	10-15	5-10	5-10	41	40	160-165	155-160
Carl Banton[9]	85-90	80-85	5-10	5-10	5-10	5-10	56	(21)	160-165	75-80

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual. The real increases exclude increases due to inflation or any increase or decrease due to a transfer of pension rights.

Executive directors’ remuneration includes salary, non-consolidated performance related pay earned in the year under the performance development review process (non-contractual), certain allowances and the value of pension benefits accrued during the year.

Allowances include a car allowance in both years and a responsibility allowance in 2022-23 only for Paul Frammingham, and a responsibility allowance in both years for Carl Banton.

Performance related pay is based on performance levels attained and is made as part of the performance review process. Performance related pay relates to the performance in the year in which it becomes payable to the individual.

We also participate in an HMRC approved cycle to work scheme. Carl Banton participated in this scheme during 2022-23 and Lisa Pinney participated in this scheme during 2022-23 and 2023-24.

No executive directors received any benefits in kind during 2022-23 or 2023-24.

8 The pension benefits of any members affected by the public service pensions remedy which were reported in 2022-23 on the basis of alpha membership for the period between 1 April 2015 and 31 March 2022 are reported in 2023-24 on the basis of PCSPS membership for the same period.

9 During 2022-23, Carl Banton transitioned from a final salary pension scheme to alpha pension scheme. Where the change in pension (normally an increase year on year) is insufficient to offset the inflationary increase, in real terms, the pension value reduces, resulting in the negative value above.

Executive directors’ pension entitlements

	Accrued pension at pension age at 31 March 2024 £000	Real increase in pension and related lump sum at pension age £000	CETV at 31 March 2024 £000	CETV at 31 March 2023 £000	Real increase in CETV £000
Lisa Pinney MBE	20-25	2.5-5	286	215	35
Paul Frammingham	35-40	0-2.5	753	645	28
Carl Banton	35-40	2.5-5	759	647	50

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – **classic**, **premium**, and **classic plus** provide benefits on a final salary basis, whilst **nuvos** provides benefits on a career average basis. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and **alpha** are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In **alpha**, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to **alpha** from the PCSPS had their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of **classic**, **premium**, and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. The pension figures in this report show pension earned in PCSPS or **alpha** – as appropriate. Where a member has benefits in both the PCSPS and **alpha**, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to **alpha**. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members.

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy[10] is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of **alpha** from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as "rollback".

For members who are in scope of the public service pension remedy, the calculation of their benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration, as of 31 March 2023 and 31 March 2024, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS. Although members will in due course get an option to decide whether that period should count towards PCSPS or **alpha** benefits, the figures show the rolled back position i.e., PCSPS benefits for that period.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

For 2023-24, employers' contributions of £4,083,000 were payable to the PCSPS (2022-23: £3,508,000) at one of four rates in the range 26.6% to 30.3% of pensionable pay, based on salary bands (2022-23: 26.6% to 30.3%). The Scheme Actuary reviews employer contributions every 4 years following a full scheme valuation. The salary bands and contribution rates were revised for 2019-20 and will remain unchanged until 2024-25. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer contributions of £48,876 (2022-23: £42,292) were paid in respect of 10 (2022-23: 10) employees enrolled in partnership accounts in the year.

Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

10 https://www.gov.uk/government/collections/how-the-public-service-pension-remedy-affects-your-pension

CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

There were no early retirements on ill health grounds in either 2022-23 or 2023-24.

The following table shows the average full time equivalent persons employed by the Coal Authority throughout 2023-24 and is consistent with the organisational structure for both years. It reflects continued growth in the Coal Authority's operational programmes and externally funded work.

Average number of persons employed

	2023-24			2022-23		
Department:	**Staff**	**Other**	**Total**	**Staff**	**Other**	**Total**
Development & Information	49	8	57	62	2	64
Operations	122	16	138	114	2	116
Commercial & Innovation	29	2	31	40	1	41
Digital /Information technology	37	5	42	33	4	37
Corporate Management & Services	77	7	84	62	2	64
Staff numbers	**314**	**38**	**352**	**311**	**11**	**322**

7.8 full time equivalent persons were charged to capital projects during 2023-24 (2022-23: 9.1).

Staff and related costs

	2023-24			2022-23		
Staff costs comprise:	**Staff £000**	**Other £000**	**Total £000**	**Staff £000**	**Other £000**	**Total £000**
Wages and salaries	16,395	-	16,395	13,717	-	13,717
Social security costs	1,863	-	1,863	1,636	-	1,636
Other pension costs	4,064	-	4,064	3,508	-	3,508
Agency staff costs	-	769	769	-	1,004	1,004
Total staff costs	**22,322**	**769**	**23,091**	**18,861**	**1,004**	**19,865**

Staff composition

As at 31 March 2024	Non – executive directors	Executive leadership team	Senior managers	Staff	Total
Male	3	5	13	192	213
Female	2[11]	2	9	167	180
Total	**5**	**7**	**22**	**359**	**393**

11 As at 31 March 2024, Kate Denham received remuneration, however, her formal role as a non-executive director did not start until 1 April 2024, therefore she has not been included in the figures above.

Disability, diversity and inclusion

We're an inclusive employer and actively encourage and welcome applications from everyone who might have the right skills to help us make a better future for people and the environment in mining areas.

We offer a guaranteed interview scheme for under-represented ethnically diverse groups and disabled applicants and continually work to embed best practice and remove bias from our recruitment practices.

We provide reasonable adjustments for disabled and differently abled candidates at interview and help them succeed at work. We encourage flexible working, part time and compressed hours and term based hours.

We have an equality, diversity and inclusion plan and an anti-racism plan which focus on practical steps to help us be even better and we continue to listen and learn.

We champion the career development, career progression and retention of all our employees. We have encouraged and supported a range of diversity networks and we work to ensure that a wide variety of voices can be heard at all levels of the organisation.

We continue to work to attract, recruit and retain greater diversity in staff at all levels and to develop them through the organisation. We continue to encourage everyone to feel comfortable to confidentially self-disclose diversity data to improve the accuracy of our reporting and enable us to put clear actions in place.

We want to be a truly diverse and inclusive organisation – a truly 'great place to work for everyone'. We know we have more to do and are committed to continuing to improve and grow.

Further information about our diversity and inclusion work can be seen in the our people section of this report on page 38.

Reporting of civil service and other compensation schemes – exit packages

2023-24 (2022-23 in brackets)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
<£10,000	0 (0)	0 (0)	0 (0)
£10,000 – £25,000	0 (0)	0 (1)	0 (0)
£25,000 – £50,000	0 (0)	0 (1)	0 (0)
£50,000 – £100,000	0 (0)	0 (0)	0 (0)
Total number of exit packages	**0 (0)**	**0 (2)**	**0 (0)**
Total cost – £000	**0 (0)**	**0 (60-65)**	**0 (0)**

There were no departures agreed during 2023-24 (2022-23: 2 departures at a cost of £60,000-£65,000). Exit costs are accounted for in the year of departure and awards are determined in accordance with the provisions of the Civil Service Compensation scheme, a statutory scheme made under the Superannuation Act 1972.

Reporting of high paid off-payroll appointments

Highly paid off-payroll worker engagements as at 31 March 2024, earning £245 per day or greater:

	No.
Existing engagements as of 31 March 2024	**7**
Of which, have existed for (at time of reporting):	
less than 1 year	3
between 1 and 2 years	3
between 2 and 3 years	1
between 3 and 4 years	-
4 or more years	-

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2024, earning £245 per day or greater:

	No.
No. of off-payroll workers engaged during the year ended 31 March 2024	**11**
Of which:	
not subject to off-payroll legislation	11
subject to off-payroll legislation and determined as in-scope of IR35	-
subject to off-payroll legislation and determined as out-of-scope of IR35	-
Number of engagements reassessed for compliance or assurance purposes during the year, of which:	
number of engagements that saw a change to IR35 status following the consistency review	N/A

The Coal Authority routinely performs checks on proposed roles, including HMRC's Employment Status Service tests, to determine IR35 status prior to any offer. Where these checks suggest that assurance as to income tax and national insurance obligations is required, contracts include the above mentioned clauses and assurance is requested from either the worker or the agent through whom they work.

Off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024:

	No.
Number of off-payroll engagements of 'board members, and/or senior officials with significant financial responsibility' during the financial year	-
Number of individuals that have been deemed 'board members, and/or, senior officials with significant financial responsibility', during the financial year. This figure includes both off-payroll and on-payroll engagements	11

Consultancy expenditure for the year was £nil (2022-23: £nil).

Pay multiples

The percentage change from the previous financial year for salary and allowances, and performance related pay, of the highest paid director and the employees of the Coal Authority are:

	2023-24	2022-23
Salary and Allowances:		
Highest paid director (mid-point of band)	3.5%	3.6%
Employees of the Coal Authority	5.8%	4.9%
Performance related pay:		
Highest paid director (mid-point of band)	0.0%	0.0%
Employees of the Coal Authority	1.4%	5.4%

In 2023-24 average employee salary and allowances increased by 5.8%. This included a pay award which averaged 5.0% across all levels in the organisation and a one-off cost of living payment for all staff grades below executive level of £1,500.

Performance related pay is linked to the achievement of organisational performance targets, which were met in full during 2023-24. Average increase in performance related pay for 2023-24 was slightly less compared with prior year due to an increase in the numbers of staff eligible for the payment.

The performance related pay for the highest paid director is capped.

The ratio of the highest paid director's remuneration to that of the employee at the 3 quartiles is as below:

Year	25th percentile	Median	75th percentile
2023-24	4.6	3.5	3.0
2022-23	4.7	3.5	2.9

Total remuneration includes salary, allowances and non-consolidated performance related pay. It does not include severance payments, employer pension contributions or the cash equivalent transfer value of pensions. The figures upon which these calculations are based are:

Year	25th percentile		Median		75th percentile	
	Total pay and benefits	Salary	Total pay and benefits	Salary	Total pay and benefits	Salary
2023-24	36,219	34,072	47,641	47,474	56,334	51,738
2022-23	33,368	30,861	44,486	41,224	54,223	52,531

In 2023-24 and 2022-23, no employee received remuneration in excess of the highest paid director. Remuneration ranged from £20,058 to £170,000 (2022-23: £19,968 to £160,000).

Parliamentary accountability and audit report

As part of the accountability report, the parliamentary accountability and audit report sets out those additional disclosures required by Parliament, if not detailed elsewhere in the annual report and accounts, and contains the external audit report.

Government Functional Standards

The Coal Authority complies with the adoption of government functional standards, whilst ensuring they meet business needs and priorities

The following sections are subject to audit.

Regularity of expenditure: losses, special payments and gifts

There have been no losses or special payments in excess of £300,000, or any gifts during 2023-24.

Fees and charges

The Coal Authority complies with the cost allocation and charging requirements set out in HM Treasury's Managing Public Money.

The Coal Authority's most significant income streams, as outlined at notes 2 (page 105) and 4 (page 110) of the financial statements, are explained below.

Commercial and innovation operating segment includes the provision of advisory and technical services which generated income of £8,117,000 (2022-23: £6,802,000), costs of £7,773,000 (2022-23: £6,639,000) and a surplus of £344,000 (2022-23: £163,000 surplus). The financial objective for the provision of advisory and technical services is either full cost recovery (including an allowance for overhead recovery) when providing services across government, or commercial rates, which reflect the increased levels of risk, when providing services into competitive markets. The proportion of income as a result of full cost recovery is in excess of 97% (2022-23: 99%), reflecting the continued provision of services to our customers across government as we support them in the delivery of key programmes.

Commercial and innovation operating segment includes the provision of mining reports which generated income of £6,623,000 (2022-23: £6,980,000), costs of £2,855,000 (2022-23: £3,175,000) and a surplus of £3,768,000 (2022-23: £3,805,000 surplus). Expenditure associated with specific programmes and activities is managed and reported under the operations segment, but relates to the enhancement of data and information. The financial objective for mining reports is to provide services at a commercial rate.

Development and information operating segment includes the provision of data licensing and mining information which generated income of £1,743,000 (2022-23: £1,593,000), internal recharges of £1,426,000 (2022-23: £1,610,000), costs of £3,075,000 (2022-23: £3,144,000) and a surplus of £94,000 (2022-23: £59,000 surplus). The financial objective for the provision of data licensing and mining information is full cost recovery (including an allowance for overhead recovery).

Development and information includes the provision of licensing and permissions activities which generated income of £745,000 (2022-23: £784,000), costs of £1,059,000 (2022-23: £974,000) and a deficit of £314,000 (2022-23:

£190,000 deficit). The financial objective for the provision of licensing and permissions services is full cost recovery plus an allowance for overhead recovery.

Remote contingent liabilities

Remote contingent liabilities are not required to be disclosed under International Accounting Standard (IAS) 37, but are considered here for parliamentary reporting and accountability purposes. The Coal Authority believes that sufficient disclosure is available in the financial statements, in note 16 (page 132) Contingent liabilities and note 13 (page 121) Provisions, to give the reader a full understanding of the liabilities it faces and may face.

Going concern

This report has been created on the basis of the Coal Authority being a going concern as detailed in note 1.3 (page 97) of the financial statements.

This accountability report has been approved by the chief executive and accounting officer.

Lisa Pinney MBE

Chief Executive and Accounting Officer
15 July 2024

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

Opinion on financial statements

I certify that I have audited the financial statements of the Coal Authority for the year ended 31 March 2024 under the Coal Industry Act 1994.

The financial statements comprise the Coal Authority's:

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Coal Authority's affairs as at 31 March 2024 and its net income for the year then ended; and
- have been properly prepared in accordance with the Coal Industry Act and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the Coal Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to the disclosures made in notes 1.20 and 13 of the financial statements concerning the uncertainties inherent in the provisions of Mine Water Schemes, Public Safety and Subsidence Claims and Subsidence Pumping Stations, totalling £1,556 million as at 31 March 2024 (2023: £2,127.0 million). As set out in these notes, given the long-term nature of these liabilities and the number and nature of the assumptions on which the estimates of the provisions are based, management has needed to make significant judgements in estimating the provisions and a considerable degree of uncertainty remains over the value of the liabilities. Significant changes to the liabilities could occur as a result of subsequent information and events that are different from the current assumptions adopted by the Coal Authority. My opinion is not modified in respect of this matter.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Coal Authority's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Coal Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Coal Authority is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Coal Industry Act 1994.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Coal Industry Act 1994; and
- the information given in the Performance and Accountability Reports for the financial year for

which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Coal Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Coal Authority or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of the accounting officer's responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Coal Authority from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Coal Industry Act 1994;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State and directions issued under the Coal Industry Act 1994; and
- assessing the Coal Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Coal Authority will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Coal Industry Act 1994.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Coal Authority's accounting policies.
- inquired of management, the Coal Authority's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Coal Authority's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Coal Authority's controls relating to the Coal Authority's compliance with the Coal Industry Act 1994 and Managing Public Money;
- inquired of management, the Coal Authority's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Coal Authority for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Coal Authority's framework of authority and other legal and regulatory frameworks in which the Coal Authority operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Coal Authority. The key laws and regulations I considered in this context included the Coal Industry Act, Managing Public Money, and relevant employment law, pensions and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;

- I enquired of management and the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

Date: 17 July 2024

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Bolanle from our programme management team at a recent engagement event

Financial Statements

Statement of Comprehensive Net Expenditure year ended 31 March 2024

	Note	2023-24 £000	2022-23 £000
Revenue from contracts with customers	4.1	17,470	16,324
Other operating income	4.2	830	1,958
Total operating income		**18,300**	**18,282**
Staff costs	3	(23,091)	(19,865)
Purchase of goods and services	3	(11,836)	(10,658)
Depreciation, revaluation and impairment charges	3	(16,535)	(22,196)
Operating expenditure before provision movement		**(51,462)**	**(52,719)**
Provisions movement	3	567,999	3,381,698
Total operating expenditure	3	**516,537**	**3,328,979**
Net operating income		**534,837**	**3,347,261**
Finance expense		(189)	(82)
Net income for the year		**534,648**	**3,347,179**
Other comprehensive net expenditure			
Net gain on revaluation of property, plant and equipment		-	283
Comprehensive net income for the year		**534,648**	**3,347,462**

The Statement of Comprehensive Net Expenditure and supporting notes to the accounts have been prepared and presented in accordance with the 2023-24 Government Financial Reporting Manual (FReM) issued by HM Treasury.

Notes on pages 97 to 133 form part of these accounts.

Statement of Financial Position as at 31 March 2024

	Note	As at March 2024 £000	As at March 2024 £000	As at March 2023 £000	As at March 2023 £000
Non-current assets:					
Property, plant and equipment	6	22,396		22,837	
Investment property	7	546		369	
Intangible assets	8	2,503		2,395	
Total non-current assets			**25,445**		**25,601**
Current assets:					
Assets held for sale	9	280		845	
Trade and other receivables	10	4,146		3,952	
Cash and cash equivalents	11	15,637		13,218	
Total current assets			**20,063**		**18,015**
Total assets			**45,508**		**43,616**
Current liabilities:					
Trade and other payables	12.1	(21,051)		(21,834)	
Provisions	13.5	(49,500)		(49,341)	
Total current liabilities			**(70,551)**		**(71,175)**
Total assets less current liabilities			**(25,043)**		**(27,559)**
Non-current liabilities:					
Other payables	12.2	(13,950)		(12,683)	
Provisions	13.5	(1,561,500)		(2,161,659)	
Total non-current liabilities			**(1,575,450)**		**(2,174,342)**
Net liabilities			**(1,600,493)**		**(2,201,901)**
Taxpayers' equity and reserves:					
General fund			(1,600,769)		(2,202,219)
Revaluation reserve			276		318
Total taxpayers' equity and reserves			**(1,600,493)**		**(2,201,901)**

The financial statements were approved and authorised by the board and signed on its behalf by:

Lisa Pinney MBE
Chief Executive and Accounting Officer
15 July 2024

Notes on pages 97 to 133 form part of these accounts..

Statement of Cash Flows year ended 31 March 2024

	Note	2023-24 £000	2022-23 £000
Cash flows from operating activities:			
Net income/(expenditure) for the year		534,648	3,347,179
Adjustments for non-cash transactions:			
Depreciation, amortisation, impairment and revaluation of non-current assets	3	16,533	22,196
Profit on disposal of property, plant and equipment and investment properties	4.2	(415)	(1,689)
Loss on disposal of property, plant and equipment	3	2	-
(Increase)/decrease in trade and other receivables		(156)	1,244
Increase/(decrease) in trade and other payables		2,521	(1,852)
Increase in provisions	13	(600,000)	(3,407,000)
Net cash outflow from operating activities		**(46,867)**	**(39,922)**
Cash flows from investing activities:			
Purchase of non-financial assets:			
Purchase of property, plant and equipment		(17,247)	(19,006)
Purchase of intangible assets		(947)	(1,072)
Proceeds from disposal of non-financial assets:			
Proceeds from sale of property, plant and equipment		1,027	1,397
Net cash outflow from investing activities		**(17,167)**	**(18,681)**
Net cash outflow from activities		**(64,034)**	**(58,603)**
Cash flows from financing activities:			
Grant in aid from Department for Energy Security and Net Zero (BEIS during 2022-23)		67,085	58,040
Payments of lease liabilities		(632)	(554)
Net financing		**66,453**	**57,486**
Net increase/(decrease) in cash and cash equivalents		**2,419**	**(1,117)**
Cash and cash equivalents at the beginning of the period		**13,218**	**14,335**
Cash and cash equivalents at the end of the period		**15,637**	**13,218**

Notes on pages 97 to 133 form part of these accounts.

Statement of Changes in Taxpayers' Equity year ended 31 March 2024

	General Fund £000	Revaluation Reserve £000	Total reserves £000
Balance at 1 April 2022	**(5,607,436)**	**35**	**(5,607,401)**
Changes in taxpayers' equity for 2022-23			
Grant in aid from BEIS/Department for Energy Security and Net Zero – capital	18,833	-	18,833
Grant in aid from BEIS/ Department for Energy Security and Net Zero – revenue	39,207	-	39,207
Net gain on revaluation of fixed assets	-	283	283
Disposal of investment property (amounts payable to Consolidated Fund)	(2)	-	(2)
Comprehensive net income for the year	3,347,179	-	3,347,179
Balance at 31 March 2023	**(2,202,219)**	**318**	**(2,201,901)**
Changes in taxpayers' equity for 2023-24			
Grant in aid from Department for Energy Security and Net Zero – capital	14,844	-	14,844
Grant in aid from Department for Energy Security and Net Zero – revenue	52,241	-	52,241
Transfers between reserves	42	(42)	-
Disposal of investment property (amounts payable to Consolidated Fund)	(325)	-	(325)
Comprehensive net income for the year	534,648	-	534,648
Balance at 31 March 2024	**(1,600,769)**	**276**	**(1,600,493)**

Notes on pages 97 to 133 form part of these accounts.

Notes to the Accounts

1. Statement of accounting policies

1.1 Basis of preparation

The Coal Authority is an executive non-departmental public body (NDPB) established under the Coal Industry Act 1994 and is sponsored by the Department for Energy Security and Net Zero. Under paragraph 15(1)(b) of Schedule 1 of the Act we are required to prepare accounts for each financial year in the form and on the basis set out in the Accounts Direction (page 134), as determined by the Secretary of State, with the consent of HM Treasury.

These financial statements have been prepared in accordance with the 2023-24 government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to our particular circumstances, for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

On 7 February 2023, the prime minister announced a major machinery of government change which redistributed the activities of several existing government departments, including the Department for Business, Energy and Industrial Strategy, and created three new departments: the Department for Business and Trade, the Department for Digital, Science, Innovation and Technology, and the Department for Energy Security and Net Zero. The Coal Authority has been designated to the Department for Energy Security and Net Zero with accounting officer responsibilities formally transferred from 1 April 2023.

1.2 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of investments, property, plant and equipment and intangible assets.

1.3 Going concern

The Statement of Financial Position at 31 March 2024 shows net liabilities of £1,600.5 million. This reflects the inclusion of expenditure for liabilities falling due in future years, which cover periods of 50 and 100 years into the future. To the extent that they are not met from other sources of income, they may only be met by future grants or grants in aid from our sponsoring department. This is because, under the normal conventions applying to parliamentary control over income and expenditure, such grants may not be issued in advance of need.

Paragraph 14(1) of Schedule 1 to the Coal Industry Act 1994 states:

'The Secretary of State shall, in respect of each accounting year, pay to the Coal Authority such amount as he may determine to be the amount required by the Coal Authority for the carrying out during that year of its functions under this Act.'

On that basis, the board has a reasonable expectation that we will continue to receive funding so as to be able to meet our liabilities. The Coal Authority has therefore prepared its accounts on a going concern basis.

1.4 Grant in aid

Grant in aid is paid to the Coal Authority on an annual basis to cover the net cash revenue and capital requirements in the year. Grant in aid utilised in the settlement of its statutory and other obligations is credited to the general reserve in the year in which it is received because it is regarded as a contribution from a controlling party which gives rise to a financial interest in the Coal Authority.

1.5 Revenue from contracts with customers and other operating income

Revenue from contracts with customers

Income represents the amounts, exclusive of VAT, arising from leases/licences and invoiced sales of goods and services from contracts with customers.

Income is measured at the fair value of the consideration received or receivable and is recognised in the Statement of Comprehensive Net Expenditure, following performance of contractual obligations by the Coal Authority, where amounts can be reliably measured and it is probable that the economic benefits will flow to the Coal Authority. Where this applies to services income, the amount recognised will be dependent upon the stage of completion.

Income received in advance of discharging contractual obligations is held on the Statement of Financial Position, and is released to the Statement of Comprehensive Net Expenditure as contractual obligations are fulfilled.

Lease income

Lease income from head office freehold property is accounted for in equal annual amounts and recognised either over the term of the lease, or to a date where a break clause may be applied, whichever is the earliest.

Consolidated fund income

Income collected under statute in relation to licensing activities is surrendered to the government as consolidated fund income when received, other than the element retained to finance licensing activities as a cost of collection.

The Coal Authority is deemed to be acting in the capacity of an agent and these income streams therefore fall outside of normal operating activities and are not reported through the Statement of Comprehensive Net Expenditure, but disclosed separately within the notes to the accounts.

Royalties and mining income are recognised on an accruals basis, relating to the period in which the income is earned, and following receipt of amounts owed, cash payments are made to the consolidated fund.

1.6 Staff costs

Under IAS 19 Employee Benefits, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave as at the year end. The cost of the untaken leave has been determined using data from electronic leave records.

1.7 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), which is an unfunded multi-employer defined benefit scheme. We recognise the expected cost of providing pensions on a systematic and rational basis, over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS and is not our responsibility. The costs of all employer pension contributions are charged to the Statement of Comprehensive Net Expenditure when incurred.

1.8 Research and development

Research

Expenditure is recognised as an expense in the period in which it is incurred.

Development

Expenditure is capitalised as an internally generated intangible asset only if the criteria of IAS 38 are met.

Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

1.9 Taxation

VAT

We are involved in a number of statutory obligations and these are outside the scope of output VAT. We also make exempt supplies relating to property lettings. Output VAT is charged on all other fee paying services. Where output VAT is charged, income is stated net of VAT. A partial exemption calculation is performed on the recovery of input VAT for overhead departmental costs which carry out duties for both statutory and exempt functions. Irrecoverable input VAT is charged to the relevant expenditure category.

Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill, or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Comprehensive Net Expenditure, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.10 Assets and liabilities inherited from the British Coal Corporation

Various assets and liabilities were transferred from the British Coal Corporation under a number of restructuring schemes made by the then Secretary of State for Trade and Industry pursuant to Section 12 of the Coal Industry Act 1994. The assets and liabilities included in these restructuring schemes were originally transferred into our financial statements at their net book values, as previously stated in the financial statements of the British Coal Corporation, under our adopted accounting policies.

1.11 Property, plant and equipment

Assets are capitalised as property, plant and equipment if they are intended for use on a continuing basis and their original purchase cost, on an individual or group basis, is £2,000 or more.

Property:

Land and buildings

Freehold land and buildings relate to our head office and operational properties and are carried at fair value based on existing use, with external professional valuations undertaken biennially. In addition, we own a number of shafts that access abandoned mines. These are used in the monitoring of underground movements in water and gases. As there is no open market on which to base a valuation, these are held at nil value.

Right of Use assets

Right of use assets are created on inception of a lease whose terms and conditions convey the right to use an underlying asset named in the lease. They are carried at fair value, based on existing use over the term of the lease.

Non-property:

Information technology, plant and machinery and furniture and fittings

In accordance with the FReM, the option has been taken to value these assets on a depreciated historical cost basis over the assets' remaining service potential as a proxy to fair value, where assets have short useful economic lives or are of low value, or both.

At each reporting date we review asset carrying amounts, for both residual values and useful economic lives, to determine whether there is any indication that an impairment loss has been suffered. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, where the recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Assets under construction are valued at cost.

Mine water treatment schemes and subsidence pumping stations

Operational schemes relating to coal are held at nil value on the Statement of Financial Position. The cost of building these schemes has been provided for in previous periods as these assets are commissioned to resolve legacy mining issues, for which the benefits have previously been received.

Costs incurred in the design, build, refurbishment and bringing the assets into working condition for their intended operational use are capitalised following completion of a feasibility study and stage gate review. When the assets are brought into operational use, the carrying values are subject to an impairment review and are impaired to nil value, with the loss being recognised through the Statement of Comprehensive Net Expenditure.

Schemes that relate to metal mining activity are reviewed on an individual basis in accordance with the guidance provided under IAS 16 Property Plant and Equipment and other relevant standards. This review is completed in conjunction with reference to the underlying contractual agreement in place with third parties.

Decommissioning costs are not provided for on the basis that the mine water schemes and subsidence pumping stations will continue to operate in perpetuity.

Assets under construction are valued at cost.

1.12 Depreciation

Property, plant and equipment assets are depreciated at rates calculated to write them down to their estimated residual value on a straight line basis over their estimated useful economic lives.

The rates of depreciation are as follows:

Freehold land	not depreciated
Freehold buildings	50 years
Operational properties	50 years
Right of use assets	over the term of the lease
Information technology	3 to 5 years
Plant and machinery	3 to 5 years
Furniture and fittings	5 to 10 years

Assets under construction are not depreciated until they are brought into operational use.

1.13 Investment properties

We hold a number of properties and are undertaking a rolling disposal programme, the timing of which is dependent on property market conditions. These have been classified as investment properties and are not depreciated in accordance with IAS 40, but may be impaired or revalued to provide a carrying value at their estimated fair value.

Full valuations by external chartered surveyors are undertaken by means of a rolling programme over 5 years. A desk top review is undertaken by in-house chartered surveyors on those properties that have not been subject to a full external valuation during the year.

Gains and losses arising from changes in fair value of investment property are recognised in the Statement of Comprehensive Net Expenditure. Investment properties identified as held for sale are disclosed where conditions established under IFRS 5 have been met.

1.14 Intangible assets
Expenditure on intangible assets consists of bespoke software development and other software licences and is capitalised where the cost is £2,000 or more.

Bespoke software development expenditure is either as a result of an external cost of development or as a result of work undertaken by our internal resources. Internal resource costs are only capitalised for detail design and implementation phases of the software development, using salary and associated payroll costs.

Intangible assets are reviewed annually for impairment and are carried at modified historic cost as a proxy for fair value.

Software licences and bespoke software are amortised on a straight line basis between 2-5 years over their estimated useful economic lives.

The mining records database was revalued upon transfer from the British Coal Corporation and is held at nil value, being fully depreciated replacement cost.

1.15 Financial instruments
We do not hold any complex financial instruments. The only financial instruments included in the accounts are receivables and payables, as disclosed within note 10 (page 118) and note 12 (page 119) to the financial statements.

Trade receivables, financial and other current assets are recognised at fair value, net of any provision for impairment, following customer level risk assessments and consideration of wider economic factors. A provision for impairment is made to recognise expected credit losses when there is evidence that we will be unable to collect an amount due.

1.16 Security fund payables
Trade payables and other current liabilities include security fund payables. Licensees of mining operations are required to provide us with security to cover the potential future costs of settling subsidence damage liabilities within their areas of responsibility. One mechanism for providing security is by means of cash deposit. If the licensees fulfil their obligations, the deposits are returned, together with interest accrued under the terms of the lease/licence.

Deposits received are credited to security fund payables in order to recognise our liability to the licensees. Repayments of deposits or the costs of making mining properties secure on default of the licensee are provided from the grant in aid received.

Interest payable on deposits is charged to the Statement of Comprehensive Net Expenditure as it accrues.

The security fund payable is reduced by relevant security costs incurred each year or when repayments are made to the licensee.

Other forms of security may include guarantee bonds in our favour, escrow accounts, or charges over land. These arrangements do not give rise to any entries in our financial statements.

1.17 Provisions
We are responsible for dealing with liabilities relating to our ownership of abandoned coal mines. These include preventing and remediating mine water pollution, settling subsidence claims, making safe when incidents have occurred and managing other property related liabilities (managing tips, rehabilitating opencast sites and dealing with closed colliery sites and spoil heaps).

Provisions are recognised when we have a present obligation (legal or constructive) as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle that obligation.

Provisions are made for the external costs of managing our obligations.

Internal costs are not provided for.

Where the time value of money is material, we apply Consumer Price Index (CPI) inflation rates to costs and then discount them to their present value, using the nominal discount rates as specified annually by HM Treasury. These rates are disclosed within note 13.2 (page 122) to the accounts.

Each year the Statement of Comprehensive Net Expenditure includes the borrowing costs of provisions, being the adjustments to unwind one year's discount so that liabilities are shown at current day price levels.

Provisions are utilised against the Statement of Comprehensive Net Expenditure or against property, plant and equipment in the Statement of Financial Position as expenditure is incurred.

Significant public safety incidents and subsidence claims are kept under review. Provisions will be released and an accrual recognised when we have a present obligation as a result of a past event, where there is certainty over the measurement of the obligation and that an outflow of economic benefits will be required to settle that obligation.

Future operating costs associated with leases, as determined under IFRS 16 Leases, are disclosed separately. Additional cash flows beyond the term of the lease and up to the specific provisions periods are included within provisions balances.

Specific provision periods have been established as follows:

Mine water treatment schemes	100 years
Subsidence pumping stations	100 years
Public safety and subsidence	50 years
Other property	100 years, or, on a specific basis where timeframes are certain and known

Where provisions remain calculated over a period of 50 or 100 years, as we move to the next financial year it is necessary to add another year onto the provisions to maintain that time frame. At the end of each reporting period, we consider whether the provision period applied to each provision remains appropriate.

Provisions are reviewed annually at the year end to ensure all obligations and work programmes have been provided for.

1.18 Leases

Leases as a lessor

Lease income from head office freehold property is accounted for in equal annual amounts and recognised either over the term of the lease, or to a date where a break clause may be applied, whichever is the earliest.

Leases as a lessee

Lease liabilities are recognised whereby a contract, or part of a contract, that conveys the right to control the use of an identified asset and receive substantially all of the economic benefits for a period of time exists, in exchange for a payment. Exemptions, as provided by the FReM, are taken in relation to short-term leases (less than one year) and low value leases.

All contracts are assessed on inception of a contract or when the terms and conditions of a contract are significantly changed.

The lease period is the non-cancellable term of the lease, together with contractual options to extend or to terminate the lease early, where it is reasonably certain that an extension option will be exercised or a termination option will not be exercised.

On inception of a lease contract, a right of use asset and a corresponding lease liability are recognised, where the lease period is greater than one year and the value is greater than £2,000.

The commencement date is when the underlying asset is made available for use.

The lease liability is measured at an amount equal to the present value of the remaining lease payments over the term of the lease, payments being discounted to their present value using discount rates as specified by HM Treasury.

The lease liability is remeasured when the contractual cash flows of variable lease payments change due to a change in an index or rate, or when the lease term changes.

1.19 Contingent assets and liabilities

In addition to contingent liabilities or assets disclosed in accordance with IAS 37, we disclose for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of HM Treasury's Managing Public Money.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

1.20 Significant accounting judgements, estimates and assumptions

Provisions

Whilst the provisions recorded reflect management's best estimates at the end of a reporting period of the future costs, based on the best existing knowledge at the time, it is reasonably possible that subsequent information, events and outcomes within a future accounting period could result in material adjustments to the provisions balance of £1,609.0 million as at 31 March 2024. There are a range of possible outcomes in respect of the assumptions underpinning the provision, and the sensitivity to changes in the underlying assumptions are disclosed in note 13.4 (page 126). In future periods new information and events may result in significant changes to the assumptions used, which may have a future material impact on our financial position.

In particular, there is significant estimation uncertainty in the future costs we will incur in relation to mine water schemes, public safety and subsidence and subsidence pumping stations, given the long term nature of these liabilities and the number and nature of the assumptions on which the estimate of the provisions are based (see note 13.4 for further details, page 126).

Provisions balances are calculated over timescales which are supported by reasonable evidence. These liabilities may extend beyond stated periods, but currently there is insufficient evidence to support provisions beyond these timescales.

Leases

Judgement is exercised in determining whether a contract, in substance, is or contains a lease and whether it conveys the right to control the use of an identified asset and receive substantially all of the economic benefits associated with use, in exchange for a payment.

Lease periods are determined by considering the non-cancellable term of the lease, together with any periods covered by an option to extend or terminate the lease, and also reflect on previous practice.

Other than in the review and calculation of provisions and leases, we have made no material accounting judgements, estimates or assumptions in preparing these financial statements.

1.21 New standards, amendments and interpretations not yet effective

The following standards were in issue but not yet effective and have not been adopted in these financial statements:

IFRS 17 "insurance contracts"

The new standard will apply a more standardised approach to accounting for insurance contracts, setting clearer expectations for recognition, classification and measurement of assets and liabilities in relation to insurance contracts (insurance contracts issued and re-insurance contracts issued or held).

HM Treasury have confirmed the standard is to be introduced to the FReM from 2025-26, effective 1 April 2025 (with limited options for early adoption) and have provided application guidance, issued July 2023, setting out the basis of adaptation and interpretation by the FReM.

The impact of the new standard will be considered further prior to its introduction to the FReM, although based on initial consideration it is expected there will be no material impact on our financial statements.

2. Statement of operating expenditure by operating segments

The following analysis by operating segment of gross expenditure, income, net (income)/expenditure and total assets is stated below in accordance with IFRS 8.

2023-24	Development & information £000	Operations £000	Commercial & innovation £000	Total £000
Expenditure incurred during the year before internal recharges	9,328	46,819	11,926	68,073
Internal recharges for data and services	(1,426)	-	1,426	-
Expenditure incurred during the year	**7,902**	**46,819**	**13,352**	**68,073**
Impairments	1,116	14,274	-	15,390
Provision utilised	(117)	(31,884)	-	(32,001)
Provision movements	(883)	(567,116)	-	(567,999)
Gross expenditure	**8,018**	**(537,907)**	**13,352**	**(516,537)**
Income	**(3,195)**	**(125)**	**(14,980)**	**(18,300)**
Net (income)/expenditure	**4,823**	**(538,032)**	**(1,628)**	**(534,837)**
Total assets	**6,496**	**32,834**	**6,178**	**45,508**
Memo: net expenditure/(income) excluding provisions movements	5,823	60,968	(1,628)	65,163

2022-23	Development & information £000	Operations £000	Commercial & innovation £000	Total £000
Expenditure incurred during the year before internal recharges	8,495	37,512	10,686	56,693
Internal recharges for data and services	(1,610)	-	1,610	-
Expenditure incurred during the year	**6,885**	**37,512**	**12,296**	**56,693**
Impairments	-	21,328	-	21,328
Provision utilised	(590)	(24,712)	-	(25,302)
Provision movements	(4,410)	(3,377,288)	-	(3,381,698)
Gross expenditure	**1,885**	**(3,343,160)**	**12,296**	**(3,328,979)**
Income	**(4,295)**	**(111)**	**(13,876)**	**(18,282)**
Net income	**(2,410)**	**(3,343,271)**	**(1,580)**	**(3,347,261)**
Total assets	**6,675**	**31,564**	**5,377**	**43,616**
Memo: net expenditure/(income) excluding provisions movements	2,590	58,729	(1,580)	59,739

Segmental analysis

The reported segments as analysed above are consistent with our organisational structure, directors' responsibilities and the management information used by our management team for the period reported.

Further information in relation to average number of persons employed, by segment, can be found in the remuneration and staff report (page 80) and fees and charges can be found in the parliamentary accountability and audit report (page 85).

Development and information

Development and information provides data, information and expertise to help people make informed decisions.

Development manages our property and mineral estate. It provides planning advice to local authorities, coal mining licences to operators, and permission, through a permit and indemnity process, to enter or intersect coal. Income from licensing and permissions indemnities provide the funding for these activities, which are charged at cost, plus an allowance for overhead recovery. Income from property and estate management is derived from operating lease rental income and profits on the disposal of property, including clawback arrangements.

Information includes the licensing and provision of mining information, as well as follow on support with its interpretation. Information is provided both internally and to external customers and charged at cost, plus an allowance for overhead recovery.

Operations

Operations includes environmental programmes (mine water schemes and subsidence pumping stations) that protect and enhance the environment and public safety and subsidence work (claims, incidents, mine entry inspections and tip management) that keep people safe and provide peace of mind.

Commercial and innovation

Commercial and innovation activities create value and minimise cost to the taxpayer.

Commercial income is derived from the provision of mining reports, which are charged at commercial rates, and, advisory and technical services which are charged at either cost recovery, plus an allowance for overhead recovery, or at commercial rates. Advisory and technical services include the provision of metal mine water treatment programmes for the Department for Environment, Food and Rural Affairs (Defra) in England and Natural Resources Wales (NRW) in Wales, supporting Welsh Government with the safe management of tips, and supporting national infrastructure projects and local authorities in managing the risks associated with mining, as well as supporting partners in unlocking the opportunities from mine heat.

Innovation activities are focused on efficiency and net cost reduction, as well as providing income streams from ochre sales and providing power to the national grid, both being a by-product from the treatment activities undertaken at our coal mine water schemes.

The Department for Environment, Food and Rural Affairs (Defra) and Natural Resources Wales (NRW), for the provision of advisory and technical services in support of ongoing metal mine water treatment programmes, provided income streams of greater than 10% of the revenue from contracts with customers (2022-23: MDA Hub Ltd, for the provision of mining reports and Defra, for the provision of advisory and technical services, provided income streams greater than 10%). The directors do not consider reliance on either of these customers to pose a significant risk to our operations.

Analysis of operating income by segment

2023-24	Note	Development & information	Operations	Commercial & innovation	Total
		£000	£000	£000	£000
Advisory and technical services		-	-	8,117	8,117
Mining reports		-	-	6,623	6,623
Data licensing and mining information		1,743	-	-	1,743
Licensing and permissions indemnities		745	-	-	745
By-products		-	-	196	196
Other income		36	8	2	46
Revenue from contracts with customers	4.1	**2,524**	**8**	**14,938**	**17,470**
Profit on disposal of property, plant and equipment and investment properties		415	-	-	415
Rental income		241	92	33	366
Other income		15	25	9	49
Other operating income	4.2	**671**	**117**	**42**	**830**
Total operating income		**3,195**	**125**	**14,980**	**18,300**

2. Statement of operating expenditure by operating segments

2022-23	Notes	Development & information	Operations	Commercial & innovation	Total
		£000	£000	£000	£000
Advisory and technical services		-	-	6,802	6,802
Mining reports		-	-	6,979	6,979
Data licensing and mining information		1,593	-	-	1,593
Licensing and permissions indemnities		784	-	-	784
By-products		-	-	56	56
Other income		94	12	4	110
Revenue from contracts with customers	4.1	**2,471**	**12**	**13,841**	**16,324**
Profit on disposal of property, plant and equipment and investment properties		1,689	-	-	1,689
Rental income		131	93	34	258
Other income		4	6	1	11
Other operating income	4.2	**1,824**	**99**	**35**	**1,958**
Total operating income		**4,295**	**111**	**13,876**	**18,282**

3. Expenditure

	Note	2023-24 £000	2023-24 £000	2022-23 £000	2022-23 £000
Staff costs:					
Wages and salaries		16,395		13,717	
Social security costs		1,863		1,636	
Other pension costs		4,064		3,508	
Agency staff costs		769		1,004	
Sub-total staff costs			**23,091**		**19,865**
Goods and services:					
Expenditure incurred during the year		42,884		35,111	
Less provision utilised	13	(32,001)		(25,302)	
			10,883		**9,809**
Research and development expenditure		360		337	
Auditors' remuneration and expenses		100		89	
Travel and subsistence		493		423	
			953		**849**
Sub-total goods and services			**11,836**		**10,658**
Depreciation, revaluation and impairment charges:					
Depreciation and amortisation					
Property, plant and equipment	6	715		606	
Intangibles	8	760		779	
			1,475		**1,385**
Revaluation					
Property, plant and equipment	6	-		(64)	
Investment properties	7	(332)		(453)	
			(332)		**(517)**
Impairments					
Property, plant and equipment	6	15,367		21,285	
Intangibles	8	23		43	
			15,390		**21,328**
Loss on disposal of assets					
Property, plant and equipment	6		**2**	-	
Sub-total depreciation, revaluation and impairment charges			**16,535**		**22,196**

	Note	2023-24 £000	2023-24 £000	2022-23 £000	2022-23 £000
Provisions movement:					
Other provisions movements	13	236,511		1,044,991	
Borrowing costs of provisions (unwinding of discount)	13	71,490		40,311	
Discount rate changes	13	(876,000)		(4,467,000)	
Sub-total provisions movement			**(567,999)**		**(3,381,698)**
Total operating expenditure			**(516,537)**		**(3,328,979)**

Staff and related costs of £502,000 were charged to capital projects during 2023-24 (2022-23: £591,000). Other staff and related disclosures are included in the staff and remuneration report within the accountability report. There were no exit packages agreed during 2023-24 (2022-23: 2 exit packages at a cost of £62,000).

No auditors' remuneration and expenses have been incurred for professional fees associated with non-audit work during either 2023-24 or 2022-23.

Detailed information on provisions and provisions movements is provided in note 13 (page 121) to the accounts.

As a result of the adoption of IFRS 16 Leases, only operating lease costs that fall outside the scope of IFRS 16 are incorporated within the goods and services figure above. Lease costs falling within the scope of IFRS 16 are included in note 6 (page 114) and note 14 (page 128).

4. Income

4.1 Revenue from contracts with customers

	2023-24 £000	2022-23 £000
Advisory and technical services	8,117	6,802
Mining reports	6,623	6,979
Data licensing and mining information	1,743	1,593
Licensing and permissions indemnities	745	784
By-products	196	56
Other income	46	110
Revenue from contracts with customers	**17,470**	**16,324**

Income is recognised in line with IFRS 15 Revenue from contracts with customers. Mining reports, licensing and permissions indemnities, data licensing and mining information, and by-products income is recognised when performance obligations are satisfied at a point in time.

Advisory and technical services income is recognised as performance obligations are satisfied over time.

No assets are recognised from costs to obtain or fulfil a contract with a customer, and no significant judgements have been made in determining the satisfaction of performance obligations or in determining and allocating the transaction price to performance obligations.

Further information is provided on products and services in note 2 to the accounts (page 105) and fees and charges in the parliamentary accountability and audit report (page 85).

4.2 Other operating income

	2023-24 £000	2022-23 £000
Profit on disposal of property, plant and equipment and investment properties (detailed in table below)	415	1,689
Rental income	366	258
Other income	49	11
Other operating income	**830**	**1,958**

Rental income relates to operating lease income from property.

	2023-24 £000	2022-23 £000
Profit on disposal of property, plant and equipment and investment properties:		
Proceeds from clawback on sale of land	424	1,639
Proceeds from sale of investment properties	150	252
Total proceeds	**574**	**1,891**
Fair value of investment properties	(159)	(202)
Total	**415**	**1,689**

Where the British Coal Corporation or the Coal Authority's sale agreements for the disposal of land include provisions for restrictive covenants or clawback, proceeds are received at a future date when these provisions have been satisfied. This may include the removal of a restrictive covenant or following development of the land, recognising the Coal Authority's share of the increased value.

Further information is provided on products and services in note 2 to the accounts (page 105) and fees and charges in the parliamentary accountability and audit report (page 85).

4.3 Consolidated fund income

The Coal Authority acts as an agent on behalf of the consolidated fund (HM Treasury). Cash collected and payable to the consolidated fund is reduced to cover the Coal Authority's cost of collection. This income adjustment is included within licensing and permissions indemnities income within note 4.1 (page 110) to the accounts.

	2023-24 £000	2023-24 £000	2022-23 £000	2022-23 £000
Production related rent (gross)	44		66	
Cost of collection	(6)		(6)	
Production related rent (net)		**38**		**60**
Options for lease		4		42
Incidental rent		9		3
Property sale proceeds		269		2
Income payable to the consolidated fund		**320**		**107**
Balances held at start of year		**8**		**13**
Income payable to the consolidated fund		320		107
Payments made to the consolidated fund		(316)		(112)
Balances held at end of year		**12**		**8**

Production related rent is earned on each tonne of coal extracted from existing operating coal mining sites.

Options for lease for future coal mining sites are granted in the form of a conditional licence and option for lease for the coal. Income is recognised on the granting of the option. The site cannot become operational until certain conditions (for example, planning consent) have been met and payments are made annually based on the area of the option.

Property sale proceeds are recognised as consolidated fund income where the initial purchase was made from grant in aid in previous periods. Income is recognised following the exchange of contracts and on completion of the sale of property.

Cost of collection relates to the element of income retained to finance licensing activities.

Balances held at end of year represent amounts still to be remitted to the consolidated fund.

5. Taxation

The Coal Authority is registered for corporation tax however there are no tax liabilities associated with the current reporting period.

No deferred tax asset has been recognised for tax losses on the basis that profits do not exist. If any profits were to arise in the future, the tax losses may be utilised against this.

6. Property, plant and equipment

	Land	Buildings	Information technology	Plant and machinery, fixtures and fittings	Mine water schemes	Subsidence pumping stations	Right of use assets	Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation									
At 1 April 2023	8,698	1,740	5,273	3,052	144,591	18,979	7,047	4,897	**194,277**
Additions	(4)	1	250	549	11,550	271	255	1,337	**14,209**
Disposals	-	-	(15)	(2)	-	-	(66)	-	**(83)**
Impairments	-	-	-	-	-	-	(1,116)	-	**(1,116)**
Remeasurements	-	-	-	-	-	-	1,434	-	**1,434**
Reclassifications	-	-	199	370	1,500	-	-	(2,069)	**-**
Revaluations	-	-	-	-	-	-	-	-	**-**
At 31 March 2024	**8,694**	**1,741**	**5,707**	**3,969**	**157,641**	**19,250**	**7,554**	**4,165**	**208,721**
Depreciation									
At 1 April 2023	-	-	4,762	2,660	144,591	18,979	448	-	**171,440**
Charged in year	-	69	186	94	-	-	366	-	**715**
Disposals	-	-	(15)	-	-	-	(66)	-	**(81)**
Impairments	-	-	87	843	13,050	271	-	-	**14,251**
Revaluations	-	-	-	-	-	-	-	-	**-**
At 31 March 2024	**-**	**69**	**5,020**	**3,597**	**157,641**	**19,250**	**748**	**-**	**186,325**
Net book value at 31 March 2023	**8,698**	**1,740**	**511**	**392**	**-**	**-**	**6,599**	**4,897**	**22,837**
Net book value at 31 March 2024	**8,694**	**1,672**	**687**	**372**	**-**	**-**	**6,806**	**4,165**	**22,396**

Except for right of use assets, the Coal Authority owns all of its assets and has no finance leases or Private Finance Initiative (PFI) contracts. Further detail relating to right of use assets is included in note 14.1 (page 128). A former colliery site was subject to a rent review during 2023-24, however the asset continues to have no economic benefit, therefore it has been fully written-down, resulting in the impairment charge of £1,116,000.

Valuations of head office land and buildings and properties that are held for operational purposes are undertaken on a biennial basis (note 1.12 to the accounts). Changes in valuation are reflected as appropriate in land and buildings.

A valuation was undertaken of the head office land and buildings as at 31 March 2023 by external chartered surveyors (Lambert Smith Hampton, a multi-disciplinary chartered surveying practice) in accordance with Royal Institution of Chartered Surveyors' guidelines. The valuation of £3,300,000 (land: £1,560,000 and buildings: £1,740,000) is reflected above, with the next valuation due to be undertaken in March 2025. A gain of £346,000 was recognised through the Revaluation Reserve (£283,000) and in the Statement of Comprehensive Net Expenditure (£63,000) during 2022-23.

Costs incurred in the development, construction or refurbishment of mine water schemes and subsidence pumping stations are recognised as assets under construction until such time that they are brought into operational use, whereby the assets are then subject to an impairment review and impaired to nil with a charge being made to the Statement of Comprehensive Net Expenditure.

	Land	Buildings	Information technology	Plant and machinery, fixtures and fittings	Mine water schemes	Subsidence pumping stations	Right of use assets	Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation									
At 1 April 2022	8,441	1,658	5,040	2,804	125,859	17,758	6,282	8,744	176,586
Additions	112	-	188	251	13,628	1,225	409	2,405	18,218
Remeasurements	-	-	-	-	-	-	403	-	403
Reclassifications	-	-	137	96	6,019	-	-	(6,252)	-
Disposals	-	-	(92)	(99)	(915)	(4)	(47)	-	(1,157)
Transfer to assets held for sale	-	-	-	-	-	-	-	-	-
Revaluations	145	82	-	-	-	-	-	-	227
At 31 March 2023	**8,698**	**1,740**	**5,273**	**3,052**	**144,591**	**18,979**	**7,047**	**4,897**	**194,277**
Depreciation									
At 1 April 2022	-	58	4,547	2,390	125,859	17,758	211	-	150,823
Charged in year	-	61	171	90	-	-	284	-	606
Disposals	-	-	(90)	(99)	(915)	(4)	(47)	-	(1,155)
Revaluations	-	(119)	-	-	-	-	-	-	(119)
Impairments	-	-	134	279	19,647	1,225	-	-	21,285
At 31 March 2023	**-**	**-**	**4,762**	**2,660**	**144,591**	**18,979**	**448**	**-**	**171,440**
Net book value at 31 March 2022	**8,441**	**1,600**	**493**	**414**	**-**	**-**	**6,071**	**8,744**	**25,763**
Net book value at 31 March 2023	**8,698**	**1,740**	**511**	**392**	**-**	**-**	**6,599**	**4,897**	**22,837**

7. Investment properties

	2024 £000	2023 £000
Land		
Fair value at 1 April	369	190
Disposals	(15)	(1)
Transfer from assets held for sale	140	57
Transfer to assets held for sale	(280)	(330)
Revaluations	332	453
Fair value at 31 March	**546**	**369**

The Coal Authority owns all of its investment properties and undertakes a 5 year rolling programme to ensure that all material investment properties are subject to an external valuation. 2023-24 is the second year of the current rolling programme.

All investment properties that have not been subject to an external valuation during the year have been subject to an internal valuation, undertaken by a suitably qualified Coal Authority property manager. Internal valuations have been established using appropriate property indices to reflect the movement in the property market over the previous year.

There are no material rental incomes or operating costs in respect of investment properties.

8. Intangible assets

	Information technology £000	Software licences £000	Assets under construction £000	Total £000
Cost or valuation				
At 1 April 2023	22,007	1,479	622	24,108
Additions	777	7	107	891
Disposals	-	(6)	-	(6)
Reclassifications	458	16	(474)	-
At 31 March 2024	**23,242**	**1,496**	**255**	**24,993**
Amortisation				
At 1 April 2023	20,281	1,432	-	21,713
Charged in year	743	17	-	760
Disposals	-	(6)	-	(6)
Impairments	9	14	-	23
At 31 March 2024	**21,033**	**1,457**	**-**	**22,490**
Net book value at 31 March 2023	**1,726**	**47**	**622**	**2,395**
Net book value at 31 March 2024	**2,209**	**39**	**255**	**2,503**

The Coal Authority owns all of its intangible assets. Information technology includes information systems developed in-house or by third parties and assets under construction consist predominantly of cost incurred in the further development of these information systems.

	Information technology £000	Software licences £000	Assets under construction £000	Total £000
Cost or valuation				
At 1 April 2022	21,975	1,479	158	23,612
Additions	399	2	623	1,024
Disposals	(507)	(21)	-	(528)
Reclassifications	140	19	(159)	-
At 31 March 2023	**22,007**	**1,479**	**622**	**24,108**
Amortisation				
At 1 April 2022	19,983	1,436	-	21,419
Charged in year	766	13	-	779
Disposals	(507)	(21)	-	(528)
Impairments	39	4	-	43
At 31 March 2023	**20,281**	**1,432**	**-**	**21,713**
Net book value at 31 March 2022	**1,992**	**43**	**158**	**2,193**
Net book value at 31 March 2023	**1,726**	**47**	**622**	**2,395**

9. Assets held for sale

Non-current assets held for sale

	Land £000	Buildings £000	Total £000
Fair value at 1 April 2023	610	235	845
Transfers to investment properties	(140)	-	(140)
Transfers from investment properties	5	275	280
Disposals	(470)	(235)	(705)
Fair value at 31 March 2024	**5**	**275**	**280**

Land: One package of land is scheduled for disposal during 2024-25.

Buildings: 3 properties are scheduled for disposal during 2024-25 following the completion of repairs. These properties were previously purchased for operational purposes as they were damaged as a result of a public safety incident.

In January 2020 the directors approved a property disposal strategy, including the sale of assets through private treaty or at auction. A programme of disposals is presented and agreed by the executive leadership team on an annual basis as part of the annual budgeting and planning process.

	Land £000	Buildings £000	Total £000
Fair value at 1 April 2022	537	235	772
Transfers to investment properties	(57)	-	(57)
Transfers from investment properties	330	-	330
Disposals	(200)	-	(200)
Fair Value at 31 March 2023	**610**	**235**	**845**

10. Trade receivables, financial and other current assets

Amounts falling due within one year

	2024 £000	2023 £000
VAT	948	771
Trade and other receivables	536	844
Prepayments	1,268	1,309
Accrued income	2,240	1,815
Expected credit losses	(846)	(787)
Balance at 31 March	**4,146**	**3,952**

There are no amounts falling due after more than one year.

Expected credit losses relate to amounts that are assessed at a customer level as potentially unrecoverable. £687,000 relates to a specific debt that has been assessed as potentially unrecoverable. £159,000 has been assessed as potentially unrecoverable as a result of the current economic climate.

11. Cash and cash equivalents

	2024 £000	2023 £000
Balance at 1 April	13,218	14,335
Net change in cash and cash equivalent balances	2,419	(1,117)
Balance at 31 March	**15,637**	**13,218**

The following balances were held at:

Government Banking Services	15,637	13,218
Balance at 31 March	**15,637**	**13,218**

Cash balances incorporate £1,386,000 (2023: £1,386,000) of ring fenced funds held in a separate account. These ring fenced funds represent receipts from bond providers following the termination of operations of ATH Resources PLC, Benhar Developments Ltd and Scottish Coal Company Ltd. The balances will be offset against the settlement of the operators' liabilities. Balances are to remain ring fenced until such time that all future liabilities are settled.

12. Trade payables and other current liabilities

12.1 Amounts falling due within one year

	Note	2024 £000	2023 £000
Other taxation and social security		869	785
Trade and other payables		517	1,142
Security fund payables	12.3	104	143
Liabilities in relation to called-in security	12.4	-	489
Lease liabilities	14	795	548
Amounts due to government (consolidated fund income)		12	8
Accruals		18,391	18,520
Deferred income		363	199
Balance at 31 March		**21,051**	**21,834**

Security fund payables (due within one year and after more than one year) relate to cash receipts from licensed coal operators and are held by the Coal Authority until such time that either, the licensee fulfils their obligations under the terms of a lease/licence, whereby the cash is returned to the operator, or to ensure debts and future liabilities are settled should a licensee fail to meet their obligations under a lease/licence. These cash receipts are not ring fenced, but are recognised as an operating cash inflow, with any payments being recognised as a cash outflow financed by grant in aid.

Liabilities in relation to called-in security are in respect of the expected costs of settling future subsidence claims following the termination of operations and disclaiming of a lease/licence. (Called-in security is in the form of cash receipts or property assets. Cash receipts are ring fenced. Property assets generate further cash receipts on disposal. See notes 6 (page 114), 9 (page 117) and 11 (page 118) to the accounts for further details.) There are no amounts due within one year and amounts due after one year are in respect of ATH Resources PLC, Benhar Developments Ltd and the Scottish Coal Company Ltd.

The amounts due to government represent amounts still to be remitted to the consolidated fund (HM Treasury) once cash has been collected in relation to licensing activities. The balance consists of trade receivables of £7,000 (2023: £2,000) and accrued income of £5,000 (2023: £6,000). See note 4.3 (page 112) to the accounts for further details.

12.2 Amounts falling due after more than one year

	Note	2024 £000	2023 £000
Security fund payables:	12.3		
In more than 1 year, but not more than 2 years		521	410
In more than 2 years, but not more than 5 years		55	222
In more than 5 years		1,084	942
		1,660	**1,574**
Liabilities in relation to called-in security:	12.4		
In more than 1 year, but not more than 2 years		430	178
In more than 2 years, but not more than 5 years		504	891
In more than 5 years		452	63
		1,386	**1,132**
Lease liabilities	14	10,904	9,977
Balance at 31 March		**13,950**	**12,683**

Where cash has been received from bond providers, any amounts not utilised, following the settlement of all future liabilities, will remain payable to the respective bond provider.

12.3 Analysis of movements on security fund payables

	2024 £000	2023 £000
Opening balance – falling due within 1 year	143	143
Opening balance – falling due after more than 1 year	1,574	1,482
Opening balance	**1,717**	**1,625**
Invoiced and cash receipts	8	77
Interest payable	72	31
Utilisation	(33)	(16)
Movements during the year	**47**	**92**
Closing balance – falling due within 1 year	104	143
Closing balance – falling due after more than 1 year	1,660	1,574
Closing balance	**1,764**	**1,717**

12.4 Analysis of movements on liabilities in relation to called-in security

	2024 £000	2023 £000
Opening balance – falling due within 1 year	489	235
Opening balance – falling due after more than 1 year	1,132	1,386
Opening balance	**1,621**	**1,621**
Repayments	(235)	-
Movements during the year	**(235)**	**-**
Closing balance – falling due within 1 year	-	489
Closing balance – falling due after more than 1 year	1,386	1,132
Closing balance	**1,386**	**1,621**

13. Provisions for liabilities and charges

13.1 Total provisions

	Mine water schemes	Public safety and subsidence	Subsidence pumping stations	Other property related provisions	Total 2023-24	Total 2022-23
	£000	£000	£000	£000	£000	£000
Opening balance	1,721,000	283,000	123,000	84,000	2,211,000	5,618,000
Utilised against operating spend	(15,628)	(13,470)	(1,727)	(1,176)	(32,001)	(25,302)
Utilised against capital spend	(13,392)	-	(271)	-	(13,663)	(17,422)
Created/(released)	145,719	80,974	19,034	4,447	250,174	1,062,413
Borrowing costs of provisions (unwinding of discount)	55,301	9,496	3,964	2,729	71,490	40,311
Discount rate changes	(695,000)	(89,000)	(57,000)	(35,000)	(876,000)	(4,467,000)
Closing balance	**1,198,000**	**271,000**	**87,000**	**55,000**	**1,611,000**	**2,211,000**

Provisions and movements in provisions are provided for in line with accounting policies stated in note 1.17 (page 101) to the accounts.

The provision for liabilities and charges at 31 March 2024 is £1,611.0 million (2023: £2,211.0 million). Forecast cash flows, which reflect our latest assumptions, included within this provision before inflation and discounting are forecast at £3,733.0 million (2023: £3,350.0 million), an increase of £383.0 million. This increase is predominantly driven by mine water scheme costs and is further explained below.

13.2 Inflation and discount rates

In calculating each provision at its present value, CPI (Consumer Price Index) inflation rates have been applied to cash flows that are based on 2024 prices and then nominal discount rates, as specified by HM Treasury, have been applied. Specified rates used are presented below:

HM Treasury rates			2023-24	2022-23
CPI Inflation	Year 1		3.6%	7.4%
	Year 2		1.8%	0.6%
	Years 3-100		2.0%	2.0%
Nominal Discount Rate	Short term	Years 1-5	4.26%	3.27%
	Medium term	Years 6-10	4.03%	3.20%
	Long term	Years 11-40	4.72%	3.51%
	Very long term	Years 41-100	4.40%	3.00%

The change in discount rates has resulted in a decrease to the provisions balance of £876.0 million for 2023-24 (2023: decrease of £4,467 million).

Where provisions remain calculated over a period of 50 or 100 years, it is necessary to add another year onto the provisions to maintain that time frame. Forecast cash flows, before inflation and discounting, associated with the additional year are £39.8 million (2023: £35.5 million).

Other key assumptions and sensitivities in establishing the provisions at 31 March 2024 are explained on the next pages.

13.3 Key assumptions

Mine water schemes
The provision relating to mine water treatment schemes is £1,198.0 million (2023: £1,721.0 million).

In order to comply with legislation, including the Water Environment (Water Framework Directive) (England and Wales) Regulations 2003 and the Water Environment and Water Services (Scotland) Act 2003, a strategy has been developed to design and build a further 9 schemes by 2030 to remediate existing pollution identified by the Environment Agency (EA), Natural Resources Wales (NRW) and Scottish Environment Protection Agency (SEPA). A further 19 preventative schemes are programmed to be built to avoid new pollution based on scientific projections of water quality and levels.

The legislation includes the principle of disproportionate cost and since 2010-11 this principle has been applied in assessing the viability of remedial schemes, through cost benefit analysis. Schemes will be deferred whilst new technologies are sought to build schemes for a cost in line with the benefits generated. Should such technology not become available these schemes may not be built and are therefore not provided for. Currently 57 schemes have been deferred, at average scheme build cost of £6.3 million and operating costs of £0.2 million per annum.

Cash flows over the next 100 years, before inflation and discounting, based on latest forecast and which are within our control, total £2,891.7 million (2023: £2,651.5 million). Cash flows are calculated over 100 years as scientists have concluded that the conditions for causing pollution will continue and there is no foreseeable option to dispense with treatment schemes. These cash flows incorporate:

- the estimated cost of commissioning the build of future schemes at £193.8 million (2023: £131.5 million). The 10 year rolling programme for preventative scheme builds has been refreshed to reflect the latest phasing of projects and includes 2 new schemes. The programme for remedial scheme builds, out to 2030, has been updated to reflect the latest phasing of projects. Costs have increased across both programmes as a result of continued inflationary price increases through our supply chain. The programme, and associated cost, is subject to review with key stakeholders (Defra, NRW and SEPA).

- the estimated cost of a capital maintenance and refurbishment programme, including solar panel installation, maintenance and replacement, at £870.9 million (2023: £827.0 million). These costs relate to both existing and future schemes, and are reassessed each year to reflect changes to the future scheme build programme. Costs have primarily increased as a result of continued inflationary price increases through our supply chain, but also as a result of a scheme type reclassification for 2 schemes and the addition of 2 new preventative scheme builds.

- the estimated cost of operating schemes, which include efficiencies as they are delivered through an ongoing innovation programme, for the next 100 years at £1,827.0 million (2023: £1,693.0 million). These costs relate to both existing and future schemes (per the latest build programme), as they are built and become operational, and are reassessed each year based on experience and actual costs incurred. Operating costs at scheme level vary dependent upon the size and type of treatment scheme, the volume of water flow, as well as the chemistry and quality of the water. Operating costs have increased by £134.0 million as a result of sustained pressure on operating costs after incorporating continued inflationary price increases through our supply chain, and specifically for power costs, which take account of contracted prices for 2024-25, but also as a result of a scheme type reclassification for 2 schemes and the addition of 2 new preventative schemes.

In assessing the provisions there are inherent uncertainties in respect of future costs and timing of cash flows, which impact on the provision. These include new technologies; environmental standards and regulations;

the impacts of adverse weather as a result of climate change (also refer to note 13.6 (page 127) climate change); price inflation of construction and operating costs; positioning of schemes and related land costs; the number of future preventative schemes required and the length of time they will be required to operate. Reasonable assumptions and best information have been used to inform the future costs and scientific evidence and experience has underpinned one of the more sensitive elements of the assumption, namely that underlying water treatment obligations will likely extend for many hundreds of years.

A management judgement has been taken to restrict the number of years to 100 for mine water treatment and subsidence pumping stations, as well as for tip management and the Bridgewater Canal that are included within other property related provisions, reflecting the absence of a precise estimate of the timeline for the liabilities and that an infinite provision would not be relevant to the decisions being made by the user of the financial statements.

Public safety and subsidence

The provision relating to public safety and subsidence activity is £271.0 million (2023: £283.0 million).

Public safety provisions relate to incidents and the costs of treating ground collapses, shaft collapses and other incidents relating to former coal mining activities. We have obligations under the Coal Industry Act 1994 and Subsidence Act 1991 to investigate and treat incidents that have arisen from coal mining and to have regard for public safety.

Subsidence provisions relate to the estimated cost of settlement of subsidence claims. We have obligations under the Coal Industry Act 1994 and Subsidence Act 1991 to investigate and settle claims in respect of coal mining subsidence damage arising outside designated areas of responsibility associated with licences granted to coal mining operators.

Cash flows over the next 50 years, before inflation and discounting, based on latest forecast and which are within the Coal Authority's control, total £474.0 million (2023: £373.0 million). Cash flows are calculated over 50 years as we expect to settle subsidence claims and treat incidents for a considerable period of time, as the conditions for subsidence and incidents will always be in existence. These cash flows incorporate:

- the estimated costs for investigating and treating claims at £447.0 million (2023: £346.0 million), being £9.0 million per annum (2023: £6.9 million per annum). Costs are reassessed each year based on experience and actual expenditure incurred over periods of up to 10 years. Costs have increased as a result of the continued inflationary price increases through our supply chain, combined with a continuing trend towards a larger number of complex incidents being experienced and reported.

- the estimated annual costs for the ongoing mine entry inspection programme at £27.0 million (2023: £27.0 million). Costs to 2025 are at £0.4 million per annum (2023: £0.5 million per annum through to 2024). Mine entry inspections and re-inspections are undertaken as part of a risk assessed rolling programme, and alternate every 5 years. The next 5 year cycles commence from 2026 at a cost of £0.7 million per annum and 2031 at a cost of £0.4 million per annum (2023: £0.7 million from 2025 and £0.4 million per annum from 2030).

The obligations arising from public safety and subsidence are considered to have shorter timeframes, as remediation actions taken and ground settlement may mitigate the present scale of risk. Management have made a judgement to assess the potential liability over a timeline of 50 years, in the absence of definitive data to enable precise measurement. Each year the timeline is considered and reviewed, with data not yet showing a reduction in the scale of incidents, and as such the 50 year timeline has been retained. Inherent uncertainties for public safety and subsidence are significantly higher than for mine water schemes, subsidence pumping stations, tip management and the Bridgewater Canal.

Significant uncertainties beyond 50 years include; new technologies or methods of treatment which may be introduced; the impacts of adverse weather as a result of climate change (also refer to note 13.6 (page 127) climate change); price inflation of contractor and material costs; new planning regulations to stabilise land prior to development; regeneration projects; or land stabilisation programmes. In addition to new damage, as time passes, shallow workings and shafts which have been treated in the past may need further remediation and monitoring. It is difficult to predict where surface hazards will next occur, or the profile and approach towards managing public safety and subsidence events, which impacts on the ability to reliably determine costs associated with these issues.

Subsidence pumping stations

The provision relating to subsidence pumping stations is £87.0 million (2023: £123.0 million).

Subsidence pumping station provisions relate to the costs of 83 pumping stations which control water on land affected by subsidence. This includes obligations under the Doncaster Drainage Act 1929.

Cash flows over the next 100 years, before inflation and discounting, based on latest forecast and which are within our control, total £227.9 million (2023: £195.0 million). Cash flows are calculated over 100 years as scientific evidence indicates that due to the effects of subsidence, certain pumping stations will be required for a considerable period of time. These cash flows incorporate:

- the estimated cost of a refurbishment programme at £61.9 million (2023: £63.0 million). The programme is due to complete by 2034, at £7.3 million (2023: £8.5 million), but there is an ongoing requirement to continue refurbishment beyond 2034 and into the foreseeable future. This ongoing refurbishment programme has been incorporated at £0.6 million per annum (2023: £0.6 million per annum). The programme, and associated cost, is subject to review with key stakeholders (Environment Agency and Internal Drainage Boards).
- the estimated cost of operating these stations for the next 100 years at £166.0 million (2023: £132.0 million), at £1.7 million per annum (2023: £1.3 million per annum). Costs are reassessed each year based on expenditure incurred over a 5 year period and incorporate the continued significant inflationary price increases through our supply chain, particularly in relation to power costs.

Beyond 100 years the inherent uncertainties of the future costs and timing of cash flows cannot be reliably measured and therefore prevent provisions being made.

Significant uncertainties beyond 100 years include; the expected operational life of the stations and plant and machinery; the impact of adverse weather as a result of climate change (also refer to note 13.6 (page 127) climate change); price inflation of construction and operating costs; and the levels of refurbishment or replacement that may be required.

Other property related provisions

The provision relating to other property is £55.0 million (2023: £84.0 million).

We provide for costs to meet our statutory obligations. These liabilities are managed by our property, public safety and subsidence and tips response teams. When made aware of a site requiring rehabilitation, restoration or requiring future expenditure related to safety and security, provisions are initially recognised following an assessment of the action required and where costs can be reliably estimated, and subsequently kept under review.

These include the following items and associated cash flows, before inflation and discounting, reflecting latest assumptions:

- obligations under the Bridgewater Canal Act 1907 to maintain elements of the canal which have been affected by coal mining subsidence. A 100 year programme of works has been prepared and costs estimated at £92.3 million remain at 31 March 2024 (2023: £85.5 million). Costs have increased as a result of the continued inflationary price increases through our supply chain. Beyond 100 years the inherent uncertainties of the future costs and timing of cash flows prevent provisions being made. Significant uncertainties beyond 100 years include the future costs of major repair projects following adverse weather conditions as a result of climate change (also refer to note 13.6 (page 127) climate change).

- obligations under the Coal Industry Act 1994, the Mines and Quarries (Tips) Act 1969 and the Mines and Quarries (Tips) Regulations 1971 to have regard to public safety. Tips may become insecure when water or ground conditions make them unstable. We have responsibility for 41 tips and keep them secure, monitor water drainage, construct tunnels and ponds to capture the water runoff and undertake a regular programme of maintenance. Costs over the next 100 years have been forecast at £37.5 million (2023: £36.5 million), incorporating annual costs at £0.4 million per annum, but with an additional £0.3 million every 10 years commencing from 2028 for more substantive infrastructure replacement (2023: £0.3 million per annum and an additional £0.3 million every 10 years for more substantive infrastructure replacement). Costs have increased as a result of the continued inflationary price increases through our supply chain. Beyond 100 years the inherent uncertainties of the future costs and timing of cash flows prevent provisions being made. Significant uncertainties beyond 100 years include the future costs of major repair projects following adverse weather conditions as a result of climate change (also refer to note 13.6 (page 127) climate change).

- closed colliery site obligations are assessed to be £9.1 million (2023: £8.9 million) and relate to returning colliery sites to a condition that is safe and secure and consistent with any required planning permission or lease requirement.

13.4 Sensitivity of trends and assumptions

The calculations as explained above necessarily include estimates and assumptions, therefore, due to their nature, provisions balances are reasonably sensitive. For example:

- should estimated future cash flows increase or decrease by £1.0 million per annum:
  - in relation to public safety and subsidence, the total provision over 50 years at current day prices would increase or decrease by 2%, equivalent to £32.0 million.
  - in relation to mine water schemes, subsidence pumping stations and other property, the total provision over 100 years in current day prices would increase or decrease by 2%, equivalent to £32.0 million.
- should inflation or discount rates as specified by HM Treasury change over the life of the provision (50 and 100 years), there would be an impact on the provisions balance:
  - an increase in the CPI inflation rates of 0.5% would increase the total provision held by 15%, equivalent to £242.0 million.
  - a decrease in the CPI inflation rates of 0.5% would decrease the total provision held by 12%, equivalent to £193.0 million.
  - an increase in the discount rates of 0.5% would decrease the total provision held by 12%, equivalent to £193.0 million.
  - a decrease in the discount rates of 0.5% would increase the total provision held by 15%, equivalent to £242.0 million.

As outlined at note 13.2 (page 122), the prescribed HM Treasury CPI inflation rates utilised for calculating the provisions balance is 3.6% for 2024-25, as the criteria for rebutting the use of this rate has not been met.

Should the rate of inflation outturn at 3.2% for the first forecast year (Office for National Statistics rate published on 17 April 2024) before returning to previous HM Treasury forecast levels, this would decrease the provisions balance by £6.0 million (0.4%) to £1,605.0 million. This decrease has been calculated assuming no change in the discount rate used to calculate the provision.

Should the rate of inflation outturn at 2.2% for the first forecast year (Office for Budgetary Responsibility forecast average rate for 2024 published 6 March 2024) before returning to previous HM Treasury forecast levels, this would decrease the provisions balance by £22.0 million (1.4%) to £1,589.0 million.

This decrease has been calculated assuming no change in the discount rate used to calculate the provision.

The dominant factor in the assumptions used remains the discount rate, and the rate used is in line with the rates published by HM Treasury.

13.5 Analysis of timing of discounted cashflows

	Mine water schemes	Public safety and subsidence	Subsidence pumping stations	Other property related provisions	Total
	£000	£000	£000	£000	£000
Up to 2025	35,762	9,241	2,746	1,751	49,500
Between 2025 and 2029	190,489	36,288	8,770	5,042	240,589
Between 2030 and 2044	379,859	104,739	25,549	19,918	530,065
Thereafter	591,890	120,732	49,935	28,289	790,846
Total	**1,198,000**	**271,000**	**87,000**	**55,000**	**1,611,000**

13.6 Climate change

We commit in our business plan 2022-25 to continue to learn about the impacts of climate change on our mine assets and estate, so that we can develop and implement plans for cost effective climate change risk management and adaptation, and be ready to respond to an increased number and/or higher impact incidents. As explained at 13.3, our provisions include the cost of building mine water treatment schemes and these costs reflect current designs that allow operational headroom to treat increased volumes of water in future years should we experience increased rainfall due to climate change. Operating costs reflect our recent experience of operating our schemes during periods that include more frequent extreme weather events. Similarly our public safety and subsidence provisions balance reflects a trend towards a higher number of large or complex incidents.

As we develop our climate adaption plan this will enable us to evolve our methodology to further model the impact of climate change on our future cash flows.

14. Leases

14.1 Right of Use assets

	Land £000	Buildings £000	Vehicles £000	Total £000
Cost or valuation				
At 1 April 2023	6,735	51	261	**7,047**
Additions	14	-	241	**255**
Remeasurements (including modifications)	1,403	8	23	**1,434**
Disposal	-	-	(66)	**(66)**
Impairment	(1,116)	-	-	**(1,116)**
At 31 March 2024	**7,036**	**59**	**459**	**7,554**
Depreciation				
At 1 April 2023	286	33	129	**448**
Charged in year	218	22	126	**366**
Disposal	-	-	(66)	**(66)**
At 31 March 2024	**504**	**55**	**189**	**748**
Net book value at 31 March 2023	6,449	18	132	**6,599**
Net book value at 31 March 2024	**6,532**	**4**	**270**	**6,806**

As detailed in note 1.18, “Right of Use” assets are created on inception of a lease whose terms and conditions convey the right to use an underlying asset named in the lease.

On any change to the terms and conditions of the lease which changes the liability attaching thereto, the asset and its liability are remeasured using discount rates prevailing at the time.

As with other property, right of use assets are depreciated over their useful life, which is the lease term.

	Land £000	Buildings £000	Vehicles £000	Total £000
Cost or valuation				
At 1 April 2022	6,067	34	181	**6,282**
Additions	300	-	109	**409**
Remeasurements	368	17	18	**403**
Disposal	-	-	(47)	**(47)**
At 31 March 2023	**6,735**	**51**	**261**	**7,047**
Depreciation				
At 1 April 2022	117	16	78	**211**
Charged in year	169	17	98	**284**
Disposal	-	-	(47)	**(47)**
At 31 March 2023	**286**	**33**	**129**	**448**
Net book value at 31 March 2022	5,950	18	103	**6,071**
Net book value at 31 March 2023	**6,449**	**18**	**132**	**6,599**

14.2 Lease liabilities

Obligations under finance leases for the following periods comprise:	2023-24 £000	2022-23 £000
Land		
Within 1 year	474	387
Between 1 to 5 years	2,345	1,989
After 5 years	11,790	11,052
Total cash payments	**14,609**	**13,428**
Less: interest element	(3,117)	(3,011)
Present value of obligations	**11,492**	**10,417**
Other		
Within 1 year	127	66
Between 1 to 5 years	87	44
After 5 years	-	-
Total cash payments	**214**	**110**
Less: interest element	(7)	(2)
Present value of obligations	**207**	**108**
Total	**11,699**	**10,525**
Of which, present value of obligations are:		
Current	795	548
Non-current	10,904	9,977

"Other" relates to vehicles and a short lease for a building.

As detailed in note 1.18 (page 102), inception of a lease whose terms and conditions convey the right to use an underlying asset mean that the lease liability is brought "on-SOFP", together with the asset, at the Net Present Value of the future cash flows attaching to the lease.

14.3 Lease elements in the Statement of Comprehensive Net Expenditure

	2024 £000	2023 £000
Variable lease payments not included in lease liabilities:		
Expense related to short-term leases	85	80
Expense related to low value asset leases (excluding short-term leases)	167	65
Sub-leasing income	182	186

As detailed in note 1.18 (page 102), where the terms and conditions of a lease do not convey the right to use an underlying asset, the lease is treated as an operating lease and taken as an expense to the Statement of Comprehensive Net Expenditure. Where a lease's terms and conditions satisfy the requirements for capitalisation, but the lease liability is immaterial, either according to the length of unexpired term or the value of the underlying asset, these leases are also treated as operating leases and taken as an expense to the Statement of Comprehensive Net Expenditure.

Notional interest is calculated on the outstanding lease liability and charged to the Statement of Comprehensive Net Expenditure.

14.4 Cash outflow for leases

	2024 £000	2023 £000
Right of Use leases (IFRS 16)	632	554
Low value and short-term leases	252	145
Total cash outflow for leases	**884**	**699**

The above amounts have been taken to the Statement of Cash Flows.

14.5 Operating leases (lessor)

Negotiations with a third party for renewing the rental agreement for the use of part of the head office property have not been finalised, consequently there are no future minimum income receipts due to the Authority at this time. While negotiations have been ongoing since last year, the previous contract has been 'held over', meaning the lessee continues to pay the authority rental under the terms of the old lease.

The Coal Authority has no non-IFRS 16 finance leases or Private Finance Initiative (PFI) contracts.

15. Capital commitments

Contracted capital commitments at 31 March not otherwise included in these accounts:

	2024 £000	2023 £000
Plant and machinery	-	34
Information technology	-	32
Intangible assets	71	24
Total	**71**	**90**

Commitments balances are represented as follows;

Plant and machinery: gas monitors for undertaking public safety related activities.

Information technology: hardware such as laptops.

Intangible assets: software development activities.

16. Contingent liabilities

Licensees of mining operations are required to provide us with security to cover the anticipated future costs of settling subsidence damage liabilities within their areas of responsibility. Outside the areas of responsibility of the holders of licences under Part II of the Coal Industry Act 1994, we are responsible for making good subsidence damage. Where an area of responsibility is extinguished this would transfer to us and we would become responsible for the discharge of outstanding subsidence liabilities. We also have an ongoing liability to secure and keep secured the majority of abandoned coal mines. In all cases the liability for operating collieries is the responsibility of the licensees/lessees and security is held to address those liabilities.

The above liabilities have been provided for within the public safety and subsidence provision (note 13 to the financial statements, page 121) based on analysis of trends and claims experience. However, it is possible that significant, unexpected events outside of this provision may materialise. It is expected that any deficit will be covered by future allocations of grant in aid.

Where liabilities transferred under the various Coal Authority Restructuring Schemes (CARS) have crystallised due to planning conditions, agreements, claims etc, provision has been made in these financial statements. It has not, however, been possible to quantify contingent liabilities that may arise in the future. It is expected that any costs will be covered by future allocations of grant in aid.

We are subject to various claims and legal actions in the ordinary course of our activities. Where appropriate, provisions are made in the accounts on the basis of information available and in accordance with guidance provided under the FReM (Financial Reporting Manual) and IFRS (International Financial Reporting Standards).

We do not expect that the outcome of the above issues will materially affect our financial position.

In addition to the contingent liabilities outlined above the following should be noted:

Environmental Information Regulations 2004

We are aware of potential legal proceedings in respect of past fees paid for mining information.

If we receive formal notification to commence legal proceedings, we will strongly defend our position.

Mine water flooding incident, Skewen, South Wales, January 2021

We are aware of potential legal proceedings in respect of damage caused by the flooding event at Skewen.

If we receive formal notification to commence legal proceedings, we will strongly defend our position.

Treatment of inland saline water on the UK coalfields

Recent analysis of our extensive monitoring of the Great Britain coalfields demonstrates that the chemistry of the mine water is extremely challenging and will require additional treatment to that normally undertaken.

At present, the levels of inland saline water in mine workings do not require extensive intervention, which is allowing time for detailed work to generate and evaluate the most cost effective and sustainable options for future treatment. Potential solutions may require significant additional costs to implement over the next decade and beyond at which point mitigating treatments will likely need to be in place. These could cost several 100 millions of pounds.

At the present time it is not possible to provide a sufficiently reliable estimate of the timing and quantum of the obligation for inclusion within our provisions balances. Work continues to better understand the nature and scale of the issue across the mine water blocks identified to be at risk and better understand when treatment will become necessary. This work will inform an outline business case which is currently expected by 2027.

17. Contingent assets

By virtue of the seventh and ninth Coal Authority Restructuring Schemes (CARS 7 and 9) we are the beneficiary of restrictive covenants and clawback provisions relating to land and properties sold by the British Coal Corporation. In the event that the purchasers are able to retrospectively secure added value by obtaining planning consent for alternative uses we will receive a share of the added value. Quantification of this asset is not possible.

18. Related party transactions

We are a Non-Departmental Public Body (NDPB) of the Department for Energy Security and Net Zero (DESNZ) and received grant in aid during the year, as well as surrendering income received to the consolidated fund in relation to statutory licensing activities.

The Department for Energy Security and Net Zero continues to provide a consolidated annual report and accounts for the core department and incorporating NDPBs, including the Coal Authority, that are classified within its consolidation boundary.

In addition, we have had a number of transactions with other government departments and bodies. The most significant of these transactions include the purchase of goods and services from the Department for Levelling Up, Housing and Communities (DLUHC) and the provision of advisory and technical services to the Department for Environment, Food and Rural Affairs (Defra).

There have been no material transactions undertaken between board members, or other related parties, and the Coal Authority during the year, that require disclosure.

19. Events after the reporting period

There were no significant events after the reporting period that require disclosure.

Date accounts authorised for issue

The chief executive and accounting officer has authorised these accounts to be issued on the date they were certified by the Comptroller and Auditor General.

ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE FOR ENERGY SECURITY AND NET ZERO IN ACCORDANCE WITH THE COAL INDUSTRY ACT 1994

1. This direction applies to the Coal Authority.

2. The Coal Authority shall prepare accounts for the financial year ended 31 March 2024 and subsequent financial years in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by HM Treasury ("the FReM") which was in force for the financial year for which the accounts are being prepared, together with any additional disclosure or other requirements as agreed with the Department.

3. The accounts shall be prepared so as to:

   (a) give a true and fair view of the state of affairs at 31 March 2024 and subsequent financial year-ends and of the income and expenditure, total recognised gains and losses and cash flows for the financial year then ended; and

   (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.

4. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with the Department for Energy Security and Net Zero who will consult HM Treasury as necessary.

5. This Direction supersedes the Direction dated 11 April 2023.

Christopher Whelan

Assistant Director – Coal Liabilities Unit
(An official of the Department for Energy Security and Net Zero
authorised to act on behalf of the Secretary of State)
11 April 2024

Photo: The walkways at Allerdean Mill
Photograph taken by Ryan Kershaw

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