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Tim Yeo MP
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House of Commons
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15 November 2010

Dear Tim,

On 31 August 2010 the Coal Authority submitted their 2009/2010 Annual Report of Subsidence Damage Claims to the Secretary of State. This report which is not contentious should now be placed in the Libraries of the House. I enclose a copy of the publication for your information.

Yours ever,
Charles

**REPORT TO THE SECRETARY OF STATE FOR ENERGY AND CLIMATE CHANGE
ON THE ADMINISTRATION OF COAL MINING SUBSIDENCE DAMAGE
CLAIMS DURING 2009/2010**

1. Background

- 1.1 This report is prepared for the Secretary of State for Energy and Climate Change. It is the fifteenth Annual Report provided by the Coal Authority on the administration of coal mining subsidence damage claims.
- 1.2 The statistical returns cover the financial year 2009/10, the Authority's sixteenth full year of operation.
- 1.3 All claims for coal mining subsidence damage are administered either by the Coal Authority or the relevant private coal-mining operator. The Coal Authority administers claims arising from the historic coal mining operations of British Coal, whereas the private coal-mining operators administer claims that arise in "Areas of Responsibility" associated with their own mining operations.
- 1.4 The appended year end figures include a total of 523 new claims received. In the same period 636 claims were discharged, some of which were claims received in previous years. Of the 524 outstanding claims, 279 are being administered by the Coal Authority, with the remaining 245 being dealt with by the private operators.

2. Results for 2009/10

- 2.1 523 new claims were received during the year to March 2010, compared with 519 received in the previous year. The number of claims received by the Coal Authority has increased slightly from 408 (year to March 2009) to 421 (year to March 2010).
- 2.2 The statistics provided below give a comparison on the combined national figures with the previous year.

	<u>2009/10</u>	<u>2008/09</u>
Number of claims outstanding at start of year	700	808
New claims received in year	<u>523</u>	<u>519</u>
TOTAL	1223	1327
Claims resolved in year: -		
Settled	317	345
Rejected	<u>319</u>	<u>285</u>
TOTAL	636	630
Number of Claims on books at year end	587	697
Actual No. of claims outstanding at yr end	524	700
Balancing item	63*	3*

** Footnote on balancing item; Claim files may be closed in circumstances other than when claims are settled or rejected, for example, when several different claims are consolidated into one or when claims have been withdrawn by the claimants. Additionally, when rejected and closed claims are disputed, these claims are reopened but excluded from the new claims received figure. When such claims remain open at the year end, they cause an imbalance in the number of claims on books.*

3. Analysis of Statistics

3.1 The statistics at paragraph 2 above and annexed indicate that:-

- i) The rate at which claims are being received has levelled out after previous years of reduced claims.
- ii) There has been an overall reduction in the number of claims outstanding.

3.2 The average cost of claim settlement has reduced from previous years.

3.3 The percentage of rejected claims to settled claims is 50% / 50%.

3.4 The total cost of claims settled was £5.47 million which is lower than the previous year which was £7.89 million.

4) Arbitration/ Lands Tribunal

4.1 During the year, 3 claims were registered with the Chartered Institute of Arbitrators under the Arbitration Schemes applicable to mining subsidence damage claims and 1 claim was registered with the Lands Tribunal. During the year, there has been 2 awards, both in favour of the "responsible person" (1 in Lands Tribunal and 1 in Arbitration) and 2 withdrawn. Of the claims registered during 2009/2010, there are 2 remaining to be resolved.

August 2010

**Coal Mining Subsidence Information
Combined National Position as at the End of March 2010**

Claim Categories	Total New Claims received April 09-March 10	Number of Claims discharged April 2009-March 2010				Number of all claims outstanding as at end of March 2010	Average cost of Settlement	Total Cost of Claims Settled	Total Value of Claims Rejected
		Discharged by Repair	Discharged by Compensation	Discharged by Other Methods	Discharged by Rejection				
Houses	252	42	23	11	210	187	£1,056,945	£192,805	
Statutory Undertakers	23	17	8	5	11	59	£1,965,046	£11,072	
Commercial, Industrial and Others	248	182	15	14	98	278	£2,445,095	£57,729	
Total	523	241	46	30	319	524	£5,467,086	£261,606	

**Coal Mining Subsidence Information
Private Operators Position as at the End of March 2010**

Claim Categories	Total New Claims received April 09-March 10	Number of Claims discharged April 2009-March 2010			Number of all claims outstanding as at end of March 2010	Average cost of Settlement	Total Cost of Claims Settled	Total Value of Claims Rejected
		Discharged by Repair	Discharged by Compensation	Discharged by Other Methods				
Houses	40	17	21	10	15	£5,277	£253,304	£411
Statutory Undertakers	9	7	8	3	5	£86,473	£1,556,519	£3,657
Commercial, Industrial and Others	53	39	6	6	5	£18,591	£948,133	£2,068
Total	102	63	35	19	25	£23,572	£2,757,956	£6,136

Coal Mining Subsidence Information
The Coal Authority Position as at the End of March 2010

Claim Categories	Total New Claims received April 09-March 10	Number of Claims discharged April 2009-March 2010				Number of all claims outstanding as at end of March 2010	Average cost of Settlement	Total Cost of Claims Settled	Total Value of Claims Rejected
		Discharged by Repair	Discharged by Compensation	Discharged by Other Methods	Discharged by Rejection				
Houses	212	25	2	1	195	114	£803,641	£192,394	
Statutory Undertakers	14	10	0	2	6	11	£408,527	£7,415	
Commercial, Industrial and Others	195	143	9	8	93	154	£1,496,962	£55,661	
Total	421	178	11	11	294	279	£2,709,130	£255,470	