

Industrial Development Act 1982

Annual Report

by the Secretaries of State for Trade and Industry,
Scotland and Wales
for the year ended 31 March 1993

*Presented to Parliament pursuant to Sections 11 and 15
of the Industrial Development Act 1982*

*Ordered by The House of Commons to be printed
22 October 1993*

LONDON : HMSO

INDUSTRIAL DEVELOPMENT ACT 1982

ANNUAL REPORT

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CORRECTION

Amendment to line 5 (class 31,32)

TABLE 5 PROJECT GRANTS (1) IN GREAT BRITAIN BY TYPE OF INDUSTRY
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1982 TO 31 MARCH 1993

Standard Industrial Classification (SIC) 1980		Cumulative Offers Accepted 1.4.82 to 31.3.93					Payments 1.4.82 to 31.3.93 (£'000)
		No.	Value (£'000)	Associated Project Costs (£'000)	Forecast (2) Employment		
Class/Description					New	Safeguarded	
01-03	Agriculture, forestry and fishing	40	1,683	13,975	549	84	1,022
11-17	Energy and water supply industries	59	6,427	48,169	1,307	293	3,870
21-26	Extraction of minerals fuels; manufacture of metals, mineral products and chemicals	1,423	298,043	2,934,740	40,907	36,501	200,971
33, 34	Computers, electrical engineering	1,168	557,425	5,504,491	86,430	36,774	321,387
31, 32	Metal goods, engineering and vehicles industry	3,895	647,204	5,614,970	107,676	70,350	436,460
41, 42	Food, drink and tobacco	791	192,754	1,349,358	29,810	16,111	125,117
43-45	Textiles, leather, clothing and footwear	1,189	120,853	895,878	38,239	19,758	90,595
46-49	Timber, furniture, paper, printing, rubber, plastics and other manufacturing	2,811	339,904	3,372,694	65,649	25,593	235,537
50	Construction	164	7,504	63,663	3,895	254	5,064
61-67	Distribution, hotels and catering repairs	498	47,711	449,675	10,802	1,344	23,481
71, 72	Transport and communications	125	15,815	219,035	4,577	367	8,786
74-77							
79							
81-85	Banking, finance, insurance, business services and leasing	483	54,467	415,269	13,493	1,049	30,054
91-99	Other services	176	35,922	245,654	4,628	592	15,898
Total		12,822	2,325,712	21,127,571	407,962	209,070	1,498,242

(1) Information on closed schemes and on Project Grants prior to 1982-83 can be obtained from earlier Annual Reports of the Industrial Development Act.

(2) Forecast employment figures are based on company forecasts for the project at the time of offer.

October 1993

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Contents

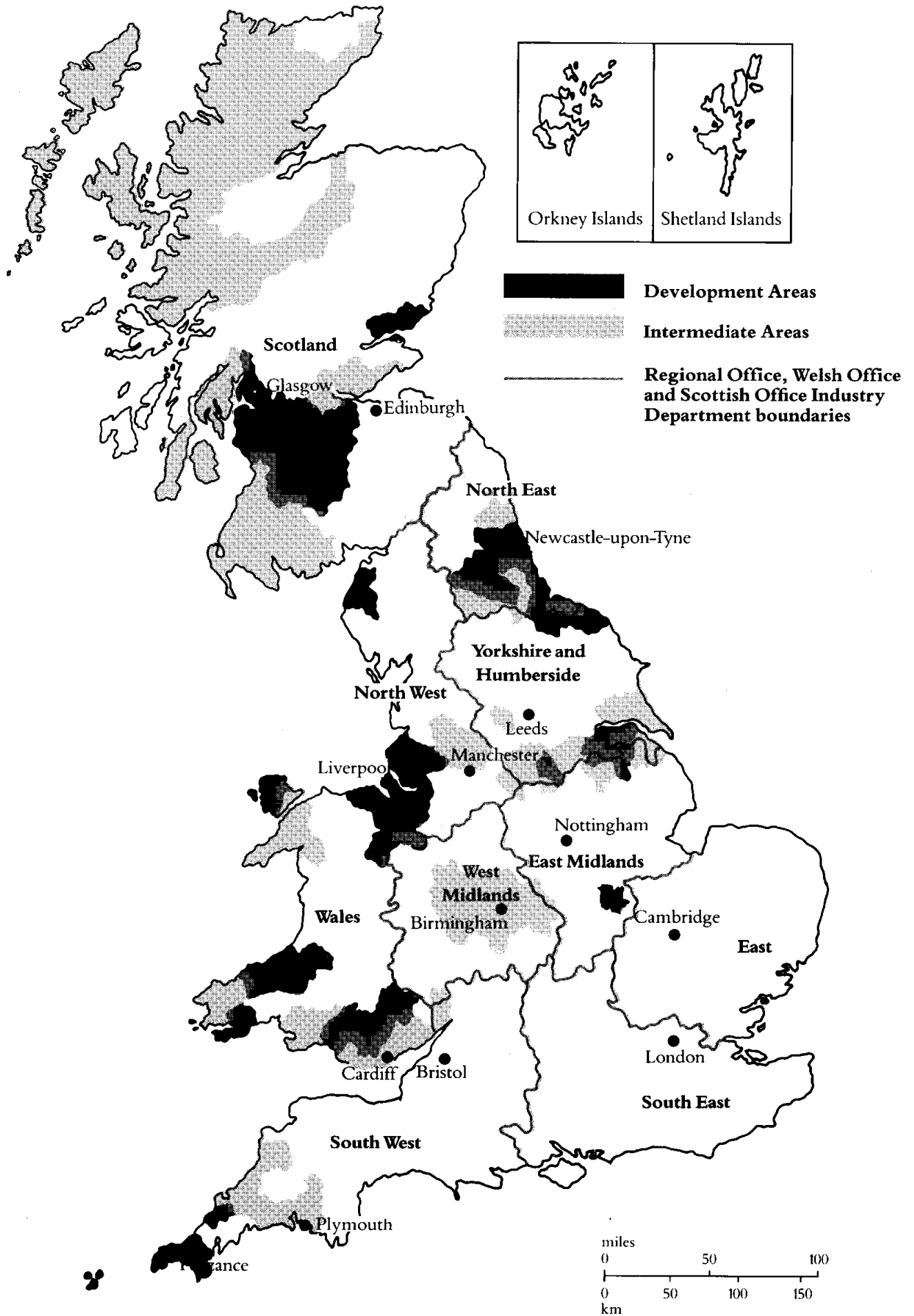
	<i>Paragraphs</i>
Joint Report by the Secretaries of State for Trade and Industry, Scotland and Wales	
Introduction	1-3
Regional Support	4
Regional Development Grants	5
Regional Enterprise Grants	6-11
Regional Selective Assistance under Section 7 of the Industrial Development Act 1982	12
European Regional Development Fund	13-15
European Regional Development Fund Community Initiatives ..	16
Regional Loans from the European Community	17-18
Assistance under Section 13 of the Industrial Development Act 1982 and Section 7 of the Local Employment Act 1972	19
Assistance under Section 14 of the Industrial Development Act 1982 and the English Industrial Estates Corporation Act 1981	20-23
Assistance under Section 1 of the Derelict Land Act 1982	24
Other Measures	25
National Investment Support under Section 8 of the Industrial Development Act 1982	26
Measures open for Applications	27-31
Measures closed for Applications	32-36
Individual Applications	37-41
Special Assistance to Shipbuilding and Associated Industries	
Shipbuilding Intervention Fund	42-43
Assistance under Part III of the Industry Act 1972	44
Assistance under Section 11 of the Industrial Development Act 1982	
The Consultancy Initiatives	45-48
Small Firms Activities under Section 11 of the Industrial Development Act 1982	49-50
Other Matters and Developments in 1992-93	
Inward Investment	51-53
Publication of Assistance Offered	54-55

	<i>Page</i>
Industrial Development Advisory Boards and Industrial Development Boards	6
Commentaries by the Industrial Development Advisory Boards and Industrial Development Boards	
Industrial Development Advisory Board	6
Scottish Industrial Development Advisory Board	7
Welsh Industrial Development Advisory Board	8
North East Industrial Development Board	10
Yorkshire and Humberside and East Midlands Industrial Development Board.....	11
South West Industrial Development Board	14
West Midlands Industrial Development Board	15
North West Industrial Development Board.....	16
Index to Appendices	18

LIST OF ABBREVIATIONS

AEP	Assistance for Exceptional Projects
CAT	City Action Team
CI	Consultancy Initiatives
DTI	Department of Trade and Industry
ECSC	European Coal and Steel Community
ECU	European Currency Unit
EIEC	English Industrial Estates Corporation
ERDF	European Regional Development Fund
ERGS	Exchange Risk Guarantee Scheme
ERM	Exchange Rate Mechanism
HCSS	Home Credit Scheme for Shipbuilding
IDAB	Industrial Development Advisory Board
NEIDB	North East Industrial Development Board
NWIDB	North West Industrial Development Board
RDC	Rural Development Commission
RDG	Regional Development Grant
REG	Regional Enterprise Grant
RECHAR	European Regional Development Fund Community Programme for Coal Mining Areas
RENAVAL	European Regional Development Fund Community Programme for Shipbuilding Areas
RSA	Regional Selective Assistance
SFLGS	Small Firms Loan Guarantee Scheme
SIDAB	Scottish Industrial Development Advisory Board
SIF	Shipbuilding Intervention Fund
SWIDB	South West Industrial Development Board
TEC	Training and Enterprise Council
TTWA	Travel to Work Area
WIDAB	Welsh Industrial Development Advisory Board
WMIDB	West Midlands Industrial Development Board
YH/EMIDB	Yorkshire and Humberside and East Midlands Industrial Development Board

The Assisted Areas at 29.11.84



Industrial Development Act 1982

Joint Report by the Secretaries of State for Trade and Industry, Scotland and Wales

Introduction

1. This Report, for the year ended 31 March 1993, describes the exercise of powers under the Industrial Development Act 1982 referred to in Sections 11 and 15 of the Act, including the powers under past legislation which the Act consolidated. Sections 11 and 15 are reproduced at Appendix 1.

2. This Report opens with an account of regional support and goes on to describe measures of national investment support and special assistance to shipbuilding and small firms. It concludes with a section covering miscellaneous items, and commentaries by the various Industrial Development Advisory Boards. Appendix 2 gives a summary analysis of the main forms of regional and national support, showing offers and payments made to 31 March 1993.

3. Throughout this Report the figures given for project costs, assistance offered and payments made represent actual amounts which have not been converted to a fixed price basis.

Regional Support

4. Assistance to regional industrial development continued to be given under a number of measures during the year. In common with past practice, unemployment statistics for each Assisted Area are at Appendix 3.

Regional Development Grants

5. After 31 March 1988 the revised Regional Development Grant scheme was closed to new applications. However, expenditure on Regional Development Grants (under both the original and revised schemes) continued to provide an important element of support to industry in the Assisted Areas. Payments under the Regional Development Grant schemes in 1992-93 totalled in England £11.0 million (£2.0 million on the original scheme and £9.0 million on the revised scheme); in Scotland £8.9 million (£3.3 million and £5.6 million respectively); and in Wales £5.7 million (£1.1 million and £4.6 million respectively). Further details are at Appendix 4.

Regional Enterprise Grants

6. Regional Enterprise Grants (REGs) are available under Section 8 of the Act for both investment and innovation projects. The scheme, introduced on 1 April 1988, is intended to improve the performance of small businesses in qualifying areas through increased investment and through

the introduction of successful new products and processes leading to the increase or safeguarding of employment. The scheme is administered in their respective areas by the Department of Trade and Industry, the Scottish Office Industry Department and the Welsh Office Industry Department.

Investment Grants

7. Grants are available for projects taking place by companies employing fewer than 25 employees in Development Areas or in the Intermediate Areas in Derbyshire, South Yorkshire, Plymouth, Fife and the South Wales EC Rechar area. Eligible activities include most manufacturing and some service sector projects. Assistance is available at 15 per cent of expenditure on eligible fixed assets in the project up to a maximum grant of £15,000. Eligible costs include plant and machinery (new and second hand), buildings, purchase of land and site preparation and vehicles used solely on site. Applicants are required to show that the investment grant is necessary if their project is to go ahead.

Innovation Grants

8. Grants are available for projects taking place by companies employing fewer than 50 employees in Development, Intermediate, EC Objective 2, Task Force, City Challenge or certain Scottish Inner Urban areas. Assistance is available at 50 per cent of eligible costs up to maximum grant of £25,000 on projects which lead to the development and introduction of new products or processes. Projects aimed at product development need to show an improvement or advance in the company's product range. Process development projects should demonstrate a likely significant increase in efficiency. All costs up to the point of commercial production may be assisted including capital costs directly associated with the project. The innovation criteria require that the project must be innovative to the applicant and that a degree of novelty and technical risk must be involved.

9. Service sector projects which serve primarily a local market (such as retailing) would not normally qualify for an investment grant, though they may qualify for an innovation grant. Banks and insurance companies are not eligible, under the terms of Section 8 of the Act. A business can receive only one investment grant but can receive more than one innovation grant.

10. Applicants have to prove that both the business and the investment, or innovation project are viable. A business statement or plan is required, showing details of the project in the context of present and future business development.

11. During the year businesses in Great Britain submitted 2,076 applications. Offers of grant valued at £15.7 million were accepted in respect of 1,199 cases. Fuller statistical details are contained in the tables at Appendix 5. The REG scheme will also be extended from May 1993 to localities affected by colliery closures in the West and East Midlands and Yorkshire. The appropriate Regional Office can advise on availability.

Regional Selective Assistance under Section 7 of the Industrial Development Act 1982

12. The purpose of providing Regional Selective Assistance (RSA) under Section 7 of the Act is to encourage sound projects which will improve employment opportunities in the Assisted Areas. Projects qualifying for assistance fall into two broad categories; new projects and expansions which create additional employment and projects for modernisation or rationalisation which maintain or safeguard existing employment. The criteria for RSA are set out in Appendix 6.

Set out below are brief details of RSA applications received in 1992-93 and offers accepted by industry in the same period.

	Applications		Offers accepted	
	No.	Value £m	No.	Value £m
England	1,167	224.0	717	76.7
Scotland	245	149.8	198	73.9
Wales	230	108.7	193	73.0
Great Britain	1,642	482.5	1,108	223.6

Further details are at Appendix 7.

European Regional Development Fund (ERDF)

13. The European Regional Development Fund (ERDF), one of the three European Community Structural Funds, came into operation in its present form in January 1989. The aim of the Fund is to help redress the principal regional imbalances in the Community by the development and structural adjustment of declining industrial regions. Although most of the grants received from the ERDF are for infrastructure projects, it also part finances Government and locally initiated business development measures.

14. ERDF grants are allocated through a number of programmes in areas defined by the Commission under Objective 2 of the Structural Funds ('converting the regions or parts of regions seriously affected by industrial decline'). For Great Britain ERDF grants in 1992-93 for business development measures amounted to £13.7 million under Objective 2 programmes, of which £3.1 million part financed the Government's Consultancy Initiative (CI) and £2.6 million part financed Regional Enterprise Grant (REG) in Objective 2 programmes. The rest contributed to locally initiated measures in these programmes.

15. During 1992-93 ERDF contributions of £2.7 million were made to part finance projects under the Regional Selective Assistance (RSA) and Regional Development Grant (RDG) schemes in Great Britain.

European Regional Development Fund Community Initiatives

16. The RENAVAL and RECHAR Community Initiatives provide ERDF allocations for business development measures in areas affected respectively by the decline in shipbuilding and ship repair industries and in coal mining. Under these initiatives, Great Britain received in 1992-93 £2.4 million for business development measures of which £1.1 million part financed Government measures and the rest part financed locally initiated measures. In addition, ERDF grants of £0.4 million were paid to British Shipbuilders towards the costs of the Tyne and Wear Opportunity Programme (TWO).

Regional Loans from the European Community

Exchange Risk Guarantee Scheme

17. The Exchange Risk Guarantee Scheme, operated under Sections 7 and 8 of the Act, encourages private industry in Great Britain in coal and steel closure areas designated by the European Commission, to take advantage of foreign currency loans from the European Coal and Steel Community (ECSC) by providing a guarantee against the exchange risk. The borrower accepts only a sterling liability and the Government takes on the exchange risk in return for an annual premium on the outstanding value of the loan. The scheme applies to loans for manufacturing industry and certain service activities which qualify for Regional Selective Assistance.

18. At 31 March 1993 loans totalling £1,113.5 million attracting Exchange Risk Cover had been made and cumulative losses of £123.2 million incurred. Future liabilities under these arrangements cannot be accurately quantified. Further details are at Appendix 8.

Assistance under Section 13 of the Industrial Development Act 1982 and Section 7 of the Local Employment Act 1972

Improvement in Basic Services

19. During the year, 109 applications were received for grant towards improvement of basic services in the Assisted Areas. At 31 March 1993 grants totalling £7.7 million had been approved towards 115 schemes costing some £47.7 million. Further details are at Appendix 9.

Assistance under Section 14 of the Industrial Development Act 1982 and the English Industrial Estates Corporation Act 1981

20. The English Industrial Estates Corporation (EIEC), under the English Industrial Estates Corporation Act 1981 (as amended by the Industrial Development Act 1985), produces its own audited accounts to be laid before Parliament.

21. During 1992-93 the total capital expenditure by EIEC on behalf of the DTI was £54.4 million. Most of this expenditure was funded by EIEC itself principally through £41 million capital receipts from assets sales. EIEC received £6 million net grant-in-aid during the year, of which £5 million will be repaid in 1993-94.

22. On behalf of the Rural Development Commission (RDC), EIEC expenditure amounted to £6.4 million (in respect of 100 per cent schemes). During the year the RDC portfolio generated some £2.2 million net rents and £12.3 million capital receipts.

23. In total, EIEC completed 251 industrial and commercial premises comprising 44,835 square metres of floorspace. At 31 March 1993 a further 31,596 square metres were under construction. EIEC's total stock at this time amounted to 1,486,939 square metres.

Further details are at Appendix 10.

EIEC will be absorbed by the new Urban Regeneration Agency, a body to be sponsored by the Department of the Environment, in 1993-94.

Assistance under Section 1 of the Derelict Land Act 1982

24. During the year there were 792 applications for grant towards the acquisition, or clearance, of derelict land in England. At 31 March 1993, assistance totalling £29 million had been approved for 717 schemes involving 2,892 hectares. Further details are at Appendix 11.

Other Measures

Cumbria Action Team

25. The Cumbria Action Team, which commenced operations on 1 July 1991, was set up to represent Government interests and co-ordinate Government action at a local level. The team works alongside other agencies to create new employment opportunities, particularly in relation to inward investment, the strengthening of existing businesses and tourism. Partnerships have developed between the public and private sectors and the team has contributed fully towards the strengthening of a co-ordinated strategy for the area.

A Special Fund was established to assist the actions of the team. Of the £1 million to be used over three years, £416,000 had been paid out in support

of 19 projects by 31 March 1993. For the financial year 1992-93, £297,000 was paid in support of 15 different projects.

National Investment Support under Section 8 of the Industrial Development Act 1982

26. National investment support continued to be given under Section 8 of the Act. Details of those measures which remained open for application at 31 March 1993 are set out in paragraphs 27 to 31 below. Information on measures that closed for application before 31 March 1993 and on which payments were made during the year is set out in paragraphs 32 to 36.

Details of all Section 8 Measures are at Appendix 12.

Measures open for application at 31 March 1993

Small Firms Loan Guarantee Scheme

27. The Scheme offers guarantees to potentially viable small firms unable to raise conventional finance because they lack either security or a business track record. Guarantees are available covering 70 per cent of loans of up to £100,000 with repayment over two to seven years. Loans are provided by participating banks or financial institutions who take responsibility for commercial decisions affecting the borrowers. In return for the guarantee, the Department charges a premium payment of 2.5 per cent a year on the guaranteed portion of the outstanding loan.

28. For businesses based, or wishing to be based, in one of the Inner City Task Force or City Challenge areas the guarantee offered is increased to 85 per cent. A premium of 1 per cent is charged for these loans. Smaller loans of £15,000 or less are subject to simplified administrative procedures which enable the lender to approve applications without first referring them to the Department, thus speeding up the lending decision.

29. Since the start of the Scheme in June 1981, to 31 March 1993, a cumulative total of 33,305 guarantees have been issued covering loans to a value of over £1 billion. At Appendix 13 are two tables, one showing the number of guarantees issued since 1981, the other showing those issued since April 1989 when the Scheme was re-launched and the maximum loan amount increased from £75,000 to £100,000.

Support programme for Chambers of Commerce and Industry

30. The programme aims to help Chambers of Commerce and Industry implement a comprehensive development strategy introduced by the Association of British Chambers of Commerce (ABCC) in October 1990. The plan is to restructure the Chambers' movement into a network of some 50 'core' Chambers each capable of providing a

comprehensive and consistent range of quality-assured services throughout the United Kingdom. To date, 24 'core' Chambers are in place, 14 of these have received ABCC approval.

The Department has offered to fund 50 per cent of the salary and directly related costs of up to 30 additional staff, either a DTI secondee or direct recruit, placed strategically across the evolving network to assist Chambers to implement the strategy. In addition, the Department will make a contribution to the establishment costs of an electronic information network (Chambernet) linking the 'core' Chambers.

To year ended 31 March 1993, DTI part funded 20 placements and three short-term studies at a cost of £342,000. The Department also contributed £230,000 towards Chambernet's costs, £100,000 of this total will be repaid to the Department during the financial year 1994-95.

Energy Management Assistance Scheme

31. This scheme is administered by the Department of the Environment. The scheme provides help with the cost of consultancy for managing energy efficiency projects in small and medium-sized businesses, who may not have their own 'in-house' energy management capability. An organisation will meet the requirements of the scheme if they have fewer than 500 employees worldwide.

Assistance with consultancy costs will be given in three stages:

- (a) 30 per cent of consultancy costs of the identifying opportunities stage;
- (b) 50 per cent of the consultancy costs of the project design stage;
- (c) 70 per cent of the consultancy costs of the project management stage.

A further claim to bring the total grant to 10 per cent of project costs will be possible upon completion of the project, provided the consultant's costs equal or exceed this amount.

Payments of some £270,000 were made during the year ended 31 March 1993. The budget for the financial year 1993-94 stands at £1.7 million.

Measures closed for application before 31 March 1993 with payments made during the year

Assistance for the Development of Certification Schemes

32. This measure of support which was closed to applications on 16 December 1991, was designed to encourage the development of third party certification schemes in line with one of the major recommendations of the White Paper on Standards, Quality and International Competitiveness

(Cmnd. 8621). The measure was introduced in April 1983 with an allocation of £0.5 million a year. Grants up to 30 per cent (exceptionally 50 per cent) of initial deficits were available.

33. One new certification body was established during the course of the year with support from this measure, and some existing bodies received assistance to extend the scope of their activities. At 31 March 1993, payments of grants totalling some £2.6 million had been made. Further details are at Appendix 12 and Appendix 15.

Assistance for Exceptional Projects

34. This measure of support, announced on 12 January 1988, provides assistance for capital projects and research and development projects in manufacturing and most service industries. To qualify, projects must offer the prospect of exceptional national benefit, which might comprise, for instance, a substantial degree of innovation or wider benefits for United Kingdom users or suppliers. Assistance is given only to projects which are viable and would not otherwise go ahead as proposed; the assistance offered is negotiated at the minimum level necessary to achieve this. Innovation projects under this measure are funded under the Science and Technology Act 1985.

35. At 31 March 1993 two offers of assistance under Section 8 of the Industrial Development Act 1982 totalling £5 million had been made. Payments of £650,000 were made during the year to bring total payments to £4.9 million. Further details are at Appendix 14. On 26 January 1993 the House of Commons authorised through a resolution under Section 8 the payment to SCA Aylesford Ltd of up to £20 million towards a newspaper recycling project at Aylesford, Kent. The offer of assistance was in the course of preparation at 31 March 1993.

36. The scheme was suspended with effect from the end of February 1993 and no further applications are being accepted in 1993-94.

Individual applications under Section 8

37. Cases that cannot be assisted under Assistance for Exceptional Projects and which do not qualify for assistance under other support measures can on an exceptional basis, be helped under the general powers of Section 8, subject to Treasury and European Commission approvals. Assistance for a case reported previously was withheld in 1992-93.

38. This was to Carnon Holdings Ltd. The project aims to secure the continuation of tin mining and employment in Cornwall. In February 1991 the Secretary of State for Trade and Industry decided that the Department could not properly make any further advances because he was not satisfied as to the continuing viability of the

¹HC Deb (1992-93) 109/110 c.972-993.

project. Cumulative payments under the £10 million interest free loan offered in 1988 remained at £8.351 million at 31 March 1993.

Film Commission of the United Kingdom (The British Film Commission)

39. This company, set up by the Department of Trade and Industry, was launched on 12 May 1991. Its central objective is to attract internationally mobile film production to the United Kingdom. The British Film Commission encourages foreign producers to make use of United Kingdom studios, facilities, expertise, personnel and locations. In addition, they help to co-ordinate the work of other national and regional commissions, and provide information on locations and facilities, aiming to provide a comprehensive service to enquirers. Responsibility for the Commission was assumed by the Department of National Heritage with effect from 1 May 1992.

Total grant provided to the British Film Commission at 31 March 1993 was £1.6 million. This was used to cover the establishment and running costs of the Commission.

Proshare

40. Proshare is a private sector body which was established on 20 February 1992 to promote and encourage wider and deeper share ownership. Initial funding was provided by donations from industry, the financial services sector and Government. The Department of Trade and Industry offered financial assistance of a maximum of £250,000 a year for a period of three years beginning in 1991-92, when the organisation was known as Share Ownership Limited.

41. Proshare is developing a range of chargeable services for private investors and companies and is expected to be self-financing from its fourth year. There will be no financial assistance from Government after year three. A total of £500,000 had been paid to Proshare at 31 March 1993, of which £250,000 was paid in the year 1992-93. This assistance is now administered by HM Treasury.

Special Assistance to Shipbuilding and Associated Industries

Shipbuilding Intervention Fund (SIF)

42. Aid to shipbuilding within the European Community is regulated by the Seventh Directive on Aid to Shipbuilding which runs from 1 January 1991 to 31 December 1993. The Directive is permissive and Member States may provide any level of support up to the ceiling which is subject to annual review. For 1993 it has been set at 9 per cent of building costs for ships costing ECU10 million or more and 4.5 per cent for ships costing less than that amount. The United Kingdom will offer support up to those maximum permitted levels, except that grants will not be offered for ships costing less than £1 million.

43. During the past financial year grants of £3.1 million were awarded to secure orders for seven ships totalling 6,029 tonnes. Total grants awarded from the inception of the Shipbuilding Intervention Fund in February 1977 to 31 March 1993 amount to £508.5 million covering orders for 366 ships totalling 2.65 million tonnes.

Assistance under Part III of the Industry Act 1972

The Home Credit Scheme

44. The Scheme, under which discounts are granted to reflect the savings of future interest support on loans that are repaid ahead of time, continued through 1992-93. During the year, one loan was repaid early under this scheme attracting discount totalling £0.013 million. At 31 March 1993 the total amount of principal guaranteed was £749 million. Further details are at Appendix 16.

Assistance under Section 11 of the Industrial Development Act 1982

The Enterprise Initiative: Consultancy Assistance

45. Consultancy assistance is a major element of the Government's Enterprise Initiative, launched on 13 January 1988. Its objective is to improve the competitiveness of small and medium-sized enterprises by improving management performance through subsidised consultancy projects in key functions such as business planning, design, financial and management information systems, manufacturing and services systems, marketing and quality.

46. The 1992 DTI Public Expenditure White Paper made provision for 10,000 supported consultancies in 1992-93. To March 1993, 123,700 applications have been received and 86,100 projects approved for consultancy. Further details are given in Tables 1 to 4 of Appendix 17.

The 'Managing into the '90s' Programme

47. The programme was launched in 1989 and aims primarily to assist small and medium-sized enterprises (SMEs) in their development of a competitive response to the challenges of the '90s. Its goal is to stimulate the spread of best practice by providing information and advice on the need to adopt an integrated approach to the management of marketing, design and new product development, purchasing and supply, production and quality. The programme also focuses on the need to innovate and to manage the resulting need for change.

48. The programme complements the Consultancy Help Scheme and provides information through seminars, a roadshow based on a mobile unit, a demonstration company scheme and a main brochure with a range of follow-up literature and videos. £3.2 million was spent in delivering the programme in the year ended 31 March 1993.

Small Firms Activities under Section 11 of the Industrial Development Act 1982

49. The powers in this section of the Industrial Development Act 1982 are used primarily to support the provision of advice to small firms. In England this service is administered by the Department of Trade and Industry. Similar services are provided in Scotland and Wales under the powers in the relevant Development Agency Acts.

Assistance to Business Support Organisations

50. Financial support was again given to Business in the Community (BitC) to assist with the costs of local enterprise agency and other business support organisation personnel attending courses, run mainly by the Durham University Business School and Local Enterprise Agencies, and with the costs of publicity and promotional literature. £200,000 was allocated for these purposes during 1992-93.

Other Matters and Developments in 1992-93

Inward Investment

51. In 1992-93 the Invest in Britain Bureau (IBB) continued to be very busy with promotional activities. In the year ending March 1993 these included two major seminars in the Far East and seven regional seminars in Japan. There were five inward missions from the Far East including two from Hong Kong. In Europe, six seminars were held, three in Germany, two inward missions of industrialists and one of journalists visited the UK and IBB had representatives at two overseas fairs. In North America the IBB again pursued an extensive programme of visits to potential inward investors. This, together with an advertising programme aimed at primary decision makers in industry, embraced the whole of the US and Canada.

52. It is not possible to provide a comprehensive figure for the amount of foreign investment made in the United Kingdom in 1992-93, since not all such investment is notified to the Department, particularly when it takes place outside the Assisted Areas or involves expansion on an existing site. However during the year ending 31 March 1993 the Invest in Britain Bureau has recorded a total of 303 decisions to invest or expand investment in the United Kingdom with 56,271 jobs associated with these in the long term. The figures are based on information provided by the companies at the time of the announcement to invest and include only those projects where the Department's Invest in Britain Bureau and its regional partners were involved or which have come to their notice. They take no account of subsequent developments.

53. Another useful indicator of the level of inward investment is the amount of assistance

offered under the Industrial Development Act 1982 to foreign-owned companies. In the year to 31 March 1993 offers of £102.1 million were made under Section 7 to such companies for 136 projects estimated to cost £675.1 million.

Publication of Assistance Offered

54. Details of offers of Regional Selective Assistance against which first payments were made during the year to 31 March 1993 were published in the Employment Gazette in the issues dated October 1992, and January, April and July 1993. In accordance with arrangements outlined in last year's report publication was limited to offers of grant of £75,000 or more.

55. Details of payments of Regional Development Grants above certain thresholds were published in the Employment Gazette in the issues dated November 1992, and February, May and August 1993. For the original scheme the threshold was individual payments of £25,000 or more and for the revised scheme the threshold was payment to individual undertakings in a Travel-to-Work Area which cumulatively total £100,000 or more.

Industrial Development Advisory Boards and Industrial Development Boards

The Industrial Development Advisory Board continued to advise the Secretary of State on the exercise of his powers under Sections 7 and 8 of the Industrial Development Act 1982.

The statutory Scottish and Welsh Industrial Development Advisory Boards and the non-statutory Industrial Development Boards in those English regions with substantial Assisted Areas continued to advise their respective Secretaries of State on applications for selective financial assistance and on industrial opportunities in their countries and regions. Lists of the Chairmen and board members are at Appendix 18. Commentaries by each of the boards follow.

Commentaries by the Industrial Development Advisory Boards and Industrial Development Boards

Industrial Development Advisory Board

The Board has continued to advise the Secretary of State on the provision of selective financial assistance under Sections 7 and 8 of the Act. Four meetings were held to discuss four applications for assistance, all under Section 7, including support towards a management buy-out of the former Leyland-DAF van manufacturing operations in Birmingham. The Board found that all of the

applications met the relevant criteria for assistance to projects that create or safeguard employment in the Assisted Areas and recommended assistance.

The number of applications considered by the Board was smaller than in any previous year. This is a reflection of the lower number of large projects which have been submitted for appraisal during the economic downturn, only a proportion of which could be recommended for grant.

The Board was pleased to meet the Minister for Industry in December. He emphasised the high priority which he attached to strengthening the Department's understanding of business by improving the dialogue with every sector of British industry; to ensuring that the impact on firms' international competitiveness of Government policies is taken fully into account; and to supporting quality projects which create employment and add substantially to the regional, industrial and technological base.

During the year three members, Mr Peter Grant, Mr Harold Mourgue and Mr Alan Wheatley retired from the Board after seven years service. Their individual contributions throughout this period are gratefully acknowledged. Two new members, Sir Anthony Cleaver and Mr Malcolm Bates, were appointed.

SIR RONALD HALSTEAD CBE
Chairman

Scottish Industrial Development Advisory Board

Industrial/Economic Background

Against a background of continuing recession at home and renewed weakness abroad, the Scottish economy, like all other regions/countries of the United Kingdom, experienced a slowdown in economic activity in 1992. However, various indicators suggest that the recession has been less pronounced in Scotland than it has been in the United Kingdom as a whole. Reasons for this include a relatively buoyant North Sea oil and gas sector and a higher proportion of output being exported rather than dependent on United Kingdom demand. In addition, Scottish households did not raise borrowing and incur the indebtedness of their counterparts in Southern England during the boom in the late 1980s.

While many independent forecasters expect Scottish GDP growth to have remained positive in 1992, the United Kingdom non-oil economy is estimated to have declined by 0.5 per cent. In the Budget, the Chancellor forecast that 1993 will be a year of positive growth with United Kingdom non-oil GDP estimated to rise by 1.25 per cent. This estimate is broadly consistent with that of the independent forecasts monitored by the Treasury. Forecasts of Scottish economic growth in 1993 range from an increase of 0.9 per cent to 2.2 per cent. The depreciation of sterling in the wake of its suspension from the Exchange Rate Mechanism in

September 1992 and subsequent reductions in interest rates are likely to increase output and growth levels in the United Kingdom and Scotland.

The slowdown in the economy, combined with the Government's goal of sustained low inflation, has affected the growth in prices. Retail price inflation in the United Kingdom stood at 1.8 per cent in the year to February 1993 after reaching its lowest year on year increase since September 1967 (1.7 per cent) in the previous month. Underlying inflation is expected by the Treasury to be 3.7 per cent by the end of 1993, which is within the Government's range of 1-4 per cent. Low inflation combined with the depreciation of sterling and reduction in interest rates to their lowest level for 15 years, will allow domestic companies to flourish at home and in international markets, providing a boost to growth and economic recovery.

Business survey evidence provided by the CBI and the Scottish Chambers demonstrated the volatility of business confidence in Scotland throughout 1992. Confidence picked up in the second quarter of 1992 after the General Election, only for expectations of recovery within the business community to be unfulfilled. This led to a return to the downward trend in manufacturing output, orders and sales, which had been experienced in the first quarter of the year. Sterling's suspension from the Exchange Rate Mechanism, and subsequent depreciation, resulted in an increase in confidence amongst exporters in the final quarter of 1992 with an increase in output and orders being reported by the Scottish Chambers.

In Scotland, the reduction in employment levels, experienced by the manufacturing sector throughout the recession, continued in 1992. Between 1991 Q4 and 1992 Q4 employment in manufacturing declined by 7.5 per cent. Service sector employment levels, which had risen throughout 1991, experienced a decline in the second quarter of the year, the first decline recorded since the final quarter of 1986. In the year to 1992 Q4 service sector employment recorded a fall of 0.5 per cent. A reflection of the recession being shallower in Scotland than the United Kingdom as a whole can be observed in the unemployment figures. The United Kingdom rate of unemployment rose above that of Scotland in February 1992 for the first time since at least the Second World War and remained there for the rest of the year. However, independent forecasters continue to expect that, once the southern regional economies recover, this relative position will be reversed.

The uncertainty regarding future business prospects and the timing of the economic recovery continued to affect investment in industry in 1992. In manufacturing, business survey evidence suggested that investment levels declined over the year, although figures are not yet available to substantiate this. The construction industry appears to have been most affected by the reduction in

investment levels with the Scottish Chambers recording a continued decline in investment intentions throughout 1992.

The reduction in investment levels in Scotland appears to be a reflection of businesses delaying important decisions, because of uncertainty over future levels of demand and an inadequate net return. This situation is likely to continue until businesses see an increase in consumer confidence and domestic demand.

Regional Assistance

In 1992-93, 246 applications for Regional Selective Assistance were received, compared with 203 in 1991-92. Numbers of applications in the second half of the year were 20 per cent higher than in the first half, suggesting increasing business confidence.

Over the same two-year period, RSA offers accepted by applicants rose from 160 to 198 and their value from £52.6 million to £73.9 million. The offers in 1992-93 were associated with planned expenditure by companies of £521 million and planned creation of some 8,500 and safeguarding of a further 2,700 jobs.

The Regional Enterprise Grants (REG) scheme provides support for innovation and investment projects being undertaken by small businesses. Eligibility for both forms of assistance available under the scheme—Investment Grant and Innovation Grant—was previously restricted to projects being undertaken in Development Areas and the Fife RENAVAL Area by firms with less than 25 employees. However, in May 1992 eligibility for Innovation Grant was extended to all Intermediate Areas, EC Objective 2 Areas and certain urban areas. In addition, the employment threshold for Innovation Grant was raised to 50 and firms are no longer restricted to one Innovation Grant. At the same time an additionality test was introduced for Investment Grant and applicants are now required to demonstrate that they need a grant in order for their project to go ahead on the basis proposed. This new test is designed to help improve the targeting of Investment Grant by ensuring that grants go to firms in need of assistance.

During 1992-93, 472 REG applications were received and 280 offers of assistance accepted. These offers involved grants of £1.5 million for investment projects and £2.2 million for innovation projects. Offers for Innovation Grants were 53 per cent higher than in 1991-92, reflecting the expansion of the scheme mentioned above.

Inward Investment

RSA continued to play a major part in encouraging overseas-owned companies to locate or expand in Scotland during 1992-93. Overseas-owned companies which decided to locate or expand their activities in Scotland in 1992-93, in part through the availability of Regional Selective Assistance,

include; Jabil Circuit Inc, USA; Mitsubishi Electric Corporation, Japan; National Semiconductor, USA; and Escom Computer AG, Germany.

In 1992-93, 30 offers of RSA were accepted by overseas-owned companies, five more than in 1991-92. The value of offers in 1992-93 to overseas-owned companies totalled £27.5 million, twice the value in 1991-92 and over a third of the total offered in Scotland. The offers were associated with total planned investment by companies of £247 million and forecast employment of 3,700.

European Schemes

The Government continues to offer Exchange Risk Guarantee (ERG) on European Coal and Steel Community loans up to £500,000. In 1992-93, 43 offers of ERG were made on loans amounting to £10.4 million compared with 73 offers on loans valued at £18.5 million the previous year.

Board Membership

The year saw the retirement of Mr David Paterson MBE who had been a member for five years and of Mr Alan Smith CBE who had served on SIDAB since 1984. The Board wishes to acknowledge the valuable contribution made by both members. Two new members, Mrs Carmen McAteer and Mr John Lumsden are warmly welcomed to the Board. Three other members, Mr Yaqub Ali OBE, Mr Jack Shaw CBE and Mr Peter Timms MBE accepted re-appointment for a further three years.

D J MACLEOD CBE
Chairman

Welsh Industrial Development Advisory Board

Industrial/Economic Background

At the start of 1992-93, industrial prospects seemed more encouraging, with improved business sentiment and some expectation of a modest recovery in manufacturing activity. However, in the first half of the year there was an increase in the level of unemployment and a rise in the number of business failures. Fortunately, in 1993 unemployment started to fall and the number of business failures to decline.

The encouraging gains in manufacturing employment recorded since 1986, and which peaked in 1988, have since then declined. It is also of increasing concern that the drive for efficiency gains to reduce costs means that output growth will need to be both strong and sustained before there is an appreciable uplift in the general level of labour demand by manufacturing industry. There are, however, signs that the employment lag associated with past recessions may not be as marked this time and that new employment should follow more quickly on the heels of sustained growth.

Against this background there are now very positive grounds for confidence both about the immediate and longer term prospects for the Welsh economy. The industrial economy in Wales has proved much more resilient to the national recession than might have been expected. This resilience reflects the diverse industrial base, the large number of new manufacturing plants opened in the last 10 years and the still strong record in attracting inward investment. It owes much to the clear recognition of the continuing need to provide an environment in which industry can prosper and grow; and to the good productivity and strike record of workers in Wales. These two elements encourage and facilitate the response to change by existing industry, the promotion of new enterprise, and the attraction of inward investment intended to strengthen United Kingdom supply and competitiveness, together with the potential to add significantly to exports.

Above all, there is a growing recognition by industry of the crucial importance of training and the development of people to meet the strengthening challenge of existing international competitors and newly emerging competitor countries, especially from the Pacific Basin.

There are growing signs of renewed confidence, an expectation of growth in the wake of lower interest rates and currency changes, a substantial increase in export prospects, much lower cost of capital and a perception of Wales as an advantageous location both for existing companies and new investment.

Welsh Development International

During 1992-93, Welsh Development International recorded 201 projects which promise 6,627 new jobs, 7,231 safeguarded jobs and capital investment of £949 million. These statistics are based upon companies' intentions at the time of the decision to invest and take no account of subsequent developments.

Of the projects recorded, 32 originate from North America, 42 from Europe, 12 from the Far East and other overseas countries and 115 from elsewhere in the United Kingdom.

The 1991-92 financial year was exceptionally good for inward investment to Wales; and it was recognised that it would be extremely difficult to mirror or better that performance in 1992-93. Whilst performance in 1992-93 is below that achieved in the previous year, the results are very commendable when considered against the background of increasingly fierce competition, the retrenchment taking place in Japan and Korea, the significant changes in Germany and the growing attractions of South East Asia due to its low labour costs.

Welsh Development International will maintain a significant presence in North America, Japan, Korea and Taiwan and will continue to seek ways in which the potential of these markets might be developed. It will also continue to seek to encourage

inward investors to invest in those areas in Wales which have traditionally been less successful and this will be achieved by concentrating on the particular benefits that those areas have to offer.

Welsh Development Agency

The availability of quality business premises and sites continues to be an important factor in Wales's ability to attract new inward investment projects: and to meet the needs of expanding companies within the Principality. In the past year the WDA let almost 1.5 million square feet of floorspace. Of the 600,000 square feet of floorspace commenced in 1992-93, 510,000 square feet (85 per cent) was for bespoke projects.

During the year, the Agency continued to encourage the private sector to invest in the Welsh property market both via joint venture projects and by the planned disposal of holdings from the Agency property portfolio to the private sector. During 1992-93 work commenced on joint venture projects with the private sector to service 334 acres of land and to provide over 700,000 square feet of business accommodation. Emphasis on securing further private investment to meet the property needs of companies in Wales will continue to take priority.

Regional Assistance

During 1992-93, applications for Regional Selective Assistance were received in respect of 230 projects and 193 offers of assistance with a value of £73.0 million were accepted by companies. These projects are forecast to create 7,804 new jobs and safeguard a further 4,714. The number of accepted offers is broadly in line with 1991-92.

Once again the year included a number of major new developments and expansions by both British and overseas companies. Among the former, projects by Tesco at Magor, McIntosh Reynolds Ltd at Gaerwen, and Flexonics Automotive Ltd at Crumlin are particularly noteworthy with the Tesco project alone forecast to create 500 new jobs. Wales's continued attraction of inward investment was further demonstrated by project announcements concerning Newport Wafer Fab Ltd at Newport, Hayter Brockbank plc at Cardiff, and Lucas SEI Wiring Systems Ltd, a joint venture between Lucas and Sumitomo, at Ystradgynlais. These three projects alone are expected to create 980 new jobs.

The availability of Regional Enterprise Grants (REG) was extended during the year, with Innovation grants becoming available in Intermediate Areas and Investment Grants becoming available in those Intermediate Areas designated under the European RECHAR programme.

The raising of the employment threshold for eligibility from 25 to 50 employees for Innovation Grants coupled with the relaxation of the one grant per company rule led to a 54 per cent increase in the number of applications from 82 in 1991-92

to 137 in 1992-93. A total of 83 innovation offers of assistance were made during the year valued at £1.7 million.

Conversely, although there was extension of the Investment scheme, small firms continued to be affected by the general economic climate which together with some administrative changes (designed to improve value for money) contributed to a decline in the number of grant offers from 131 in 1991-92 to 96 in 1992-93.

In total 270 full REG applications were received compared to 299 in 1991-92. There were 179 offers of grant, valued at £2.4 million, made in the year compared to 169 offers valued at £1.8 million in 1991-92.

Board Membership

During the year, Messrs H G Jones and T G Jones retired from the Board, both having served three years. The Board wishes to express its gratitude to them for their contributions. The Secretary of State appointed to the Board Mr K Arnold, OBE, Chairman of the Assembly and Automation Group of Companies, Tonypandy and Mr P R Marshall, Senior Partner at Broomfield and Alexander Chartered Accountants, Cardiff.

DR ROY BICHAN
Chairman

North East Industrial Development Board

Industry in the Region

A tough year for the North East economy with difficult trading conditions both at home and overseas as well as growing concern about the future for the Region's traditional industries of mining and shipbuilding.

During the early part of the year, exporters' confidence was affected by recession in key overseas markets. However, devaluation of sterling, together with falling interest rates, boosted confidence in the Autumn with many firms reporting either stronger order books or improved trading opportunities. With exports accounting for over 40 per cent of GDP, the region continues to perform effectively with a record number of Queen's Award winners in 1992.

Domestic demand was flat, notably in the construction, heavy engineering and consumer goods sectors. The performance of key inward investors was a bright spot in the region's economy. Nissan continued to expand and invest at their Sunderland plant (4,600 jobs, £985 million invested) to produce the Nissan Micra (car of the year 1993) and the upgraded Primera, due for launch in 1995-96.

In general, manufacturing continued to shed jobs and look for quality gains in an increasingly

competitive market place. Recent increases in enquiries and orders have boosted the performance of SMEs in the manufacturing sector.

Although the medium term outlook remains uncertain, the offshore industry won important orders, eg Amec secured the biggest single turnkey project with the £500 million Agip/Tiffany contract. Major orders have recently created over 1,000 new jobs but the potential for significant job losses in the offshore sector is large if trading prospects worsen. However, the offshore sector predicts that the changes to Petroleum Revenue Tax in the Budget may reduce substantially exploration activity and subsequently demand for offshore fabrication.

The continuing restructuring in the defence and mining sectors contributed to the continuing rise in unemployment. Vickers won a multi-million pound tank order for Oman, but suppliers dependent on work for MOD and its research establishments face an extremely difficult future unless they diversify, penetrate new markets or otherwise reduce their defence related capacity.

Manufacturing Challenge was developed during the year in anticipation of a May 1993 launch. The challenge, issued by Karl Watkin (North East businessman of the year 1991), is to double the region's manufacturing base and triple exports over the next 10 years and has been taken up by the private sector and in partnership with economic development agencies in the region.

Inward Investment

Inward Investment has made a significant contribution to upgrading and broadening this region's business capability in terms of supplying quality components and materials, to world class standards, across a wide range of industries. However, there is intense competition from other European countries for such investment and overseas enquiries were down to 209 and overseas visits down to 178; a reduction of 19 per cent and 2 per cent respectively over last year. Good news for the region included Kong Wah's investment (380 new jobs, £10 million investment) and Matrix Marketing who intend creating 100 jobs in Newcastle. European firms in the region invested £15 million with a view to creating 340 jobs throughout the North East.

Unemployment

At 13.8 per cent against a national average of 10.8 per cent, the North East continues to have the highest United Kingdom mainland unemployment rate. The number of unemployed rose by 12,915 to 152,426 in the region during the period February 1992 to February 1993. Unemployment black spots include South Tyneside and Hartlepool with rates of 19.7 per cent and 17.7 per cent respectively.

Financial Assistance

(a) Regional Selective Assistance

During the year 166 offers of RSA to the value of £20.8 million were made towards fixed project costs of £143.7 million. These projects were expected to create 3,500 new jobs and safeguard 544 others. The total amount of grant offered was 43 per cent higher than the previous year and associated capital expenditure increased by 47 per cent. The high level of enquiries suggests a significant increase in investment activity when confidence returns.

(b) Regional Development Grants (RDGs)

The RDGI and II schemes have now been closed for several years but payments continued to be made on those projects approved before the termination dates. Total payments of RGDII in England amounted to £8.9 million of which £6.3 million was made to projects in the North East. Under RDGI payments in England were £2.0 million of which £1.9 million related to capital investment in North East premises.

(c) Enterprise Initiative Schemes

Following the reduction in subsidy rate there was a surge of applications for consultancy assistance prior to the 24 March 1993 deadline which resulted in 772 applications during the financial year: 25 per cent above the target figure of 620. 498 Business Review Reports were referred to Scheme Contractors during the year which was 10 per cent above the target figure of 450. Quality continues to be the most popular consultancy accounting for 49 per cent of all applications. The trend is that consultants are increasingly seeding applications.

There has been a sharp fall in the number of applications for Regional Enterprise Grants, 336 applications were received this year compared with 453 last year. What has been encouraging and against the trend is the increase in applications for innovation projects. Eighty-two were received in 1992-93 compared with 67 in 1991-92. Grant payments for investment and innovation projects amount to £1.5 million for 1992-93.

(d) Inner Cities and other Employment Blackspots

DTI continued to play its full part in inner cities activity through leadership of Tyne and Wear CAT and representation on Cleveland CAT. CAT Special Funds have targeted inner city priority areas including Meadowell, West Newcastle and East Middlesbrough. Enterprise job creation and associated skills and training have been particular priorities.

Strong working relationships have been established between community, public and private sectors in the areas covered by the first round winners of City Challenge, Newcastle and Middlesbrough, to undertake significant inner city regeneration projects. In the second round Hartlepool, North Tyneside, Stockton and Sunderland were successful bidders. Industrial and business development in the

A19 corridor is expected to create 2,200 jobs over five years with an early benefit arising from the decision of Freudenberg Angus to invest at North Tyneside.

During the year, four of the region's five coal mines came under threat of closure. Seaham/Vane Tempest closed and the coal review recommended care and maintenance status for Westoe and Easington Collieries. DTI/NE is involved in multi-agency regeneration initiatives in the Northumberland and Durham coalfields, which have attracted additional central government funding. In addition, EC funds have recently been allocated to the RECHAR initiative which will co-ordinate regeneration activity and support the appropriate measures for SMEs in the closure areas.

Board Membership

During the year, Dr R Hawley after three and a half years' service and Mrs J Verdon MBE after eight years' service retired from the Board. We wish to express our gratitude to them for their valuable contribution. We warmly welcome two new members to the Board, Mr T J O'Connor and Miss S Wilson.

R F BISHOP CBE
Chairman

Yorkshire and Humberside and East Midlands Industrial Development Board

Yorkshire and Humberside Region

General

Business in Yorkshire and Humberside has once again experienced a difficult year. Poor trading conditions forced many companies to face hard choices on employment, investment and rationalisation. For most of the year there was little tangible evidence of recovery being under way. However, towards the end of the year signs of cautiously improving business confidence were coupled with reports of slight increases in business activity. The beneficial effects of the reductions in interest rates and the devaluation of sterling were increasingly apparent, although the European downturn could impact on the region's rate of economic recovery.

Sectors such as steel, coal, heavy engineering and construction encountered exceptional difficulties and uncertainties. The potential direct and indirect effects of colliery closures were a major concern particularly in South and West Yorkshire. Energy price levels and the impact of environmental legislation were also matters of concern with the majority of companies concentrating on cost cutting and rationalisation measures to enable them to operate more satisfactorily at the low demand levels experienced. Performance and prospects were

disappointingly poor, although towards the year end the house building sector was beginning to show signs of cautious optimism.

Firms in the printing, packaging, chemicals and particularly the food and drink sector fared better than most. Some companies announced good turnover and increased profits despite difficulties in holding on to sales in the tough trading conditions.

Although serious problems persisted in the older industrial areas of South and West Yorkshire, Humberside benefited increasingly from international trade through the Humber ports and, in Leeds, the strong financial business service sectors performed steadily.

Exports held up well against a background of ever increasing pressure on profit margins. Significant export orders were reported towards the year end. The devaluation of the pound and exit from the ERM proved beneficial. However, there was some concern that the pound should not be allowed to fall too far for fear of serious effects on the price of imported raw materials and semi-finished goods. There was also concern about the delays in reaching an acceptable conclusion to the current GATT round. Several chambers of commerce reported significant increases in use of their export services and there was a marked increase in interest in DTI export services.

Earnings from wool textile exports were up by over 7 per cent on the previous year. This was lower than expected; reflecting a slow down in the last two months of the year, but confirmed the industry's steady recovery over the year. Up until October the sector had demonstrated an average increase of over 9 per cent compared to the previous period.

Overall, despite the varying problems faced by business in the region, Yorkshire and Humberside remains well placed to improve its relative position among the United Kingdom regions. It has a fundamentally sound and diverse economy, and unrivalled access to the continent through the Humber ports. It also has the advantages of increasingly sophisticated business services, excellent communications and good sites available for development.

Unemployment

The Yorkshire and Humberside unemployment rate gradually rose from 9.6 per cent in February 1992 to 10.5 per cent in February 1993. However, this disguised the fall in February of 0.1 per cent, which was as welcome as it was unexpected. Following a rapid convergence with the national rate in the first six months, the gap between the YH and GB rate remained at 0.1 per cent for the rest of the year. Within the region the unadjusted rates show wide disparities such as Settle in North Yorkshire at 4.2 per cent and Rotherham in South Yorkshire at 15.5 per cent.

Government Assistance

The Board believes that Regional Selective Assistance (RSA) has played an important role in securing additional investment in the region. During 1992-93, 178 applications for grants were received, of which 42 were over £100,000, and 117 offers of grant were accepted.

The value of the offers accepted totalled £10.9 million with related project costs of £101.5 million. It was expected that the projects receiving assistance would create or safeguard 3,117 jobs. Some 45 per cent of the offers made related to applications for grant of £25,000 and below.

The distribution of assistance across the Region shows that grants were accepted on 37 projects in Humberside, 44 projects in South Yorkshire and 35 projects in West Yorkshire (Bradford), and one project in North Yorkshire (Whitby).

Monitoring of RSA supported projects showed that 77 projects, with a payment value of £6.75 million, were successfully completed during the year. These created or safeguarded 2,739 jobs compared with a forecast level of 3,172. Both the number of supported projects which had to be curtailed, and the number of assisted businesses which failed, were significantly lower than last year.

The total number of Regional Enterprise Investment Grant offers in 1992-93 was 124 with a value of £1.1 million, compared with 177 offers with a value of £1.49 million in the previous year. REG Innovation grant offers totalled 103, with a value of £2.3 million. This substantial increase over the 33 offers totalling £0.75 million for the previous year was due to changes made in the Innovation Scheme with effect from 18 May 1992, which increased the size of companies eligible, broadened the area base of eligible companies; firms are no longer restricted to one application.

Inward Investment

The overall level of new inward investment enquiries was higher than in the previous year. There were two greenfield inward investment projects in the region that were secured with the help of Regional Selective Assistance. The company, Paramount Packaging Corporation, is investing £5 million in a flexible packaging plant in Elsham Wold, South Humberside. The investment will create 100 jobs. Another company, National Computer Systems Inc, is investing £4.5 million in a scannable document printing facility at Rotherham which will create 50 new jobs. During the year several expansion projects were undertaken by existing foreign owned companies in the region which also attracted offers of Regional Selective Assistance.

East Midlands Region

General

The year saw fluctuations in business and consumer confidence with a rise following the General

Election (although activity did not improve greatly), and a subsequent deterioration throughout the summer and reaching a low point in early autumn. The brief period of very high interest rates which touched 15 per cent, sterling's departure from the Exchange Rate Mechanism and the announcement of the closure (later a review) of 31 coal mines, all within a month, increased the general mood of uncertainty. Only in the first three months of 1993 did confidence begin to recover, with trade associations predicting an improvement over the first half of the year. The picture remained patchy across the economy, however, with companies in niche markets reporting better conditions than elsewhere and small firms appearing more optimistic than larger companies.

Consumer confidence was generally weak. A brief improvement in retail sales in late summer was not sustained. 1993 brought some signs of increasing confidence, with large rises in the numbers of mortgage enquiries at local building societies. Full recovery was still felt to be some way off.

There was a 24 per cent rise in business failures in the East Midlands in 1992 with the number of bankruptcies of sole traders and small firms up by 42 per cent. Investment was restrained by existing heavy borrowings and was aimed at increasing productivity rather than capacity. However, the 3i Enterprise Barometer survey in early 1993 noted an upturn in company investment planned for the first half of the year and two major Japanese investments in the region are due to be opened in 1993—Toyota at Burnaston near Derby, which began production in December 1992 employing up to 3,000 people, and Toray Textiles in Mansfield, creating up to 400 jobs.

The engineering industry continued to contract over the year. The regional Engineering Employers' Association forecast a further fall in employment during 1993 but predicted a 3 per cent rise in output over the year. Mechanical engineering and aerospace were expected to continue to decline, but electrical and electronic engineering were marked as major growth areas.

Textiles, clothing and footwear industries have had a mixed year, with a number of major companies closing down. Industry leaders claimed that cheap imports of clothing and footwear, principally from the Far East, were harming the domestic industry, but United Kingdom textile exports rose more in 1992 than imports. There were reports of skills shortages in the textile industry in Leicestershire and warnings that new rules on pollution could cost a large number of jobs.

Other sectors also had a difficult time. Construction and civil engineering companies continued to suffer, with a number calling in the receivers. Tough trading conditions across the economy led to profit margins being cut and pay rises were generally limited to 0-3 per cent.

Unemployment

Unadjusted unemployment in the region mirrored the general rise in national unemployment, standing at 193,358 or 9.8 per cent of the workforce in February 1993, 20,000 higher than a year previously. Seasonally adjusted unemployment rose from 167,100 (8.5 per cent) in February 1992 to 187,600 (9.5 per cent) in February 1993.

The levels of unemployment varied across the region with the differences between the counties at February 1993 remaining much the same as a year earlier, Nottinghamshire had the highest rate at 11.3 per cent compared to 8.6 per cent in Leicestershire and 8.9 per cent in Northamptonshire. Of the counties only Notts showed unemployment rates consistently above the national average.

Government Assistance

Regional Selective Assistance (RSA)

The effects of the national recession served to depress numbers of enquiries and applications. Twenty-five applications for grant were received and 11 offers accepted in 1992-93. The total value of the assistance accepted was £0.8 million against project costs of £11.18 million. It is expected that 332 jobs will be created or safeguarded as a result.

Twenty-two projects supported by RSA were completed during the year, creating or safeguarding 334 jobs.

Regional Enterprise Grant (REG)

Applications during 1992-93 resulted in assistance being offered for 20 Investment and 34 Innovation projects under Section 8 of the Industrial Development Act 1982. Grants offered totalled £0.21 million for Investment and £0.7 million for Innovation against project costs of £2.06 million and £2.12 million respectively.

Inward Investment

A Regional Development Organisation for the East Midlands was established in April 1993. The organisation is supported by both the local public and private sectors who will match the initial £0.25 million funding from the DTI.

Overall, enquiries were 15 per cent down on last year although the number of successes rose from five to six. Due to the very small eligible area in the region there was little Regional Selective Assistance activity on Inward Investment. However the acceptance of one offer of £0.14 million by a German snack manufacturer resulted in the establishment of a production facility in Corby.

Membership of the Board

During the year Mr Mike Davey retired from the Board after 12 years service and Mr Matthew

Bullock resigned. We wish to express our gratitude to both for their valuable contributions to the work of the Board.

P W Barker CBE

Chairman

South West Industrial Development Board

General

Although, as the year ends, there are signs of recovery in the economy generally, the Board reports that such signs are relatively few in the South West. With the exception of 'pockets' in the north and east of the Region, activity remains flat and within the Assisted Areas, except for some individual success stories, signs of an upturn are difficult to discern. High levels of personal bankruptcy and company receivership—higher than most other regions—continued in 1992-93. The particularly severe impact of the recession on the service sector, on which the South West is heavily reliant, together with the increasing run-down in defence related employment (some 25-30,000 jobs have now been lost in this sector) have militated against recovery. However, it needs to be remembered that the South West probably entered the recession later than many other regions and may, consequently, recover later.

The Board hopes that by the time this report is published, Government decisions will have been taken that enhance the secure future of Devonport Dockyard. Uncertainty over the future of the Portland Naval Base has ended with a closure decision. The Board continues to believe that much remains to be done to assist local companies and areas hit by the rundown in the defence industry, notwithstanding the strong Government support for the European Fighter Aircraft programme and for defence exports. The European Community has introduced its own defence diversification programme. Funds are, however, limited and eligibility for the majority of these funds is restricted to Objective 1, 2 and 5b areas. Consequently, this initiative can at present offer little to the majority of the South West—the most defence-dependent region in the United Kingdom. The Board strongly supports the greater degree of flexibility with the EC programme which the Government is pressing for.

The reform of the Community Structural Funds offers some opportunity to explore this need for flexibility. More importantly, however, is the need for those areas of the South West which currently enjoy access to European Funds—the Assisted Areas of Devon and Cornwall—to remain eligible. The Board hopes that the problems of other parts of the South West, particularly north Devon, Torbay and mid-Cornwall will be recognised when the new Assisted Areas map appears later this year. The

Board recognises that there is no automatic linkage but hopes that these areas will, in addition, qualify for European funding.

Infrastructure problems again feature in the Board's report. The road network continues to improve but there are growing concerns over the implications of privatisation for the future of rail services and again, the far South West is faced with a potential threat to its vital air links with London, Heathrow. The Board would like to draw attention to the fact that infrastructure decisions can have economic consequences far beyond the cost of maintaining services that might, in isolation, be viewed as non-viable.

In its last report the Board wished Bristol and Plymouth well in their bids for City Challenge funding. Neither was successful. However, subsequent success for Plymouth in bidding for Urban Partnership funding together with the launch of the previously announced Urban Development Corporation for Plymouth and the creation of a Task Force have provided the City with a much needed boost. The release of land by the MOD to the Development Corporation was welcomed. Growth within Plymouth remains constrained by the lack of developable land and therefore MOD has and can continue to help resolve these problems. Finally, with regard to Plymouth, the Board hopes that the creation of the Urban Regeneration Agency will enable English Estates to take a more active role within the City.

The Board has in the past frequently called on Government to bring some cohesion to the provision of business advice, especially to the small firms sector. It is, therefore, with some pleasure that the Board welcomes the DTI initiative to create One Stop Shops. Whilst only one South West TEC has a prospect of qualifying for funding in the initial phase, the concept is strongly endorsed and the Board offers its encouragement to the other South West TECs to proceed as quickly as possible towards OSS creation.

Continuing on the theme of cohesion, the Board was pleased to see the creation of the South West Chamber—the bringing together of the major Chambers of Commerce and Industry in Devon and Cornwall—and looks forward to the formal launch of the Westcountry Development Corporation—the successor to the Devon and Cornwall Development Company. The Board wishes to express its gratitude to all those in the private and public sectors who have worked to bring these two organisations into being. In similar vein, the recent accord between the Devon and Cornwall Development Bureau (DCDB) and the Westcountry Development Corporation which, *inter alia*, will result in the private sector joining the Board of DCDB should help strengthen the growing public/private sector partnership within the two counties. DCDB has, despite the economic difficulties, continued to attract inward investors to Devon and Cornwall

and the Board would, in particular, like to extend a welcome to the US firm Contico which has recently arrived in Cornwall.

Selective Assistance

As might be expected in a recession, demand for RSA was lower than in previous years.

During the year 64 offers of Regional Selective Assistance totalling £6.4 million were accepted towards investment of £31.1 million. A total of 1,346 jobs are expected to be created or safeguarded as a result.

Membership

Alan Dearden and Michael Knight left the Board following retirement. The Board expresses its appreciation for the valuable contributions they made over the years and wishes them both well. David Hancock, Michael Jordan and Rod Pickering joined the Board.

ROGER HARRIS

Chairman

West Midlands Industrial Development Board

General

The economy of the West Midlands is more dependent upon manufacturing industry than the economy of any other region of the United Kingdom, and it is thus particularly vulnerable in times of recession. Consequently, the continuation of the recession into 1992-93, making it the longest but not the deepest recession since the 1930s, meant that it was another difficult year for business in the region.

A high proportion of the West Midlands' small and medium-sized enterprises are in general engineering and component supply. The low level of demand from the motor vehicle, aerospace and engineering sectors has had its impact on many of these firms' order books. The construction industry also continues to be subdued while, unlike the recession of the early 1980s, the service sector has been hard hit. Exports have not been so badly affected as domestic orders, and in the wake of devaluation many firms have increased their attention to export markets. As the USA emerges from its recession, a number of firms are managing to increase their orders there, but there are concerns that this coincides with increased difficulties for many of our European trading partners.

However, by the end of the year there were some signs that a change in the region's fortunes was beginning to set in, with business sentiment across the region becoming more optimistic as a growing number of firms reported slightly improved order books. Retail demand in the region seems to be strengthening more or less in line with the national

trend. Car sales have shown some improvement over 1992 levels, but the region's component manufacturers have not yet seen much benefit from this—as car manufacturers are running down stocks of finished vehicles from the historically high levels of last autumn.

Unemployment

All sectors of industry and commerce have experienced further increases in unemployment rates over the last year, much in line with the national trend. The rate for the region stood at 11.4 per cent (workforce basis) in March 1993, compared with 10.4 per cent a year earlier. In both February and March 1993, there was a small fall in both the regional and national rates, and it remains to be seen whether this marks the beginning of a downward trend.

The unemployment rate for the region exceeds the national average. At 11 March 1993, there were nine TTWAs with rates over 10 per cent, including the five which cover the region's urban core. These had rates of 12 per cent or more.

Within the West Midlands Assisted Area the sharpest increase in unemployment has been in the Walsall TTWA, where the rate in March 1993 was 1.5 per cent higher than in March 1992. The Wolverhampton TTWA continues to have the highest rate, with 13.5 per cent in March 1993, followed by Walsall with 13.1 per cent and Birmingham and Redditch with 13 per cent.

Inward Investment

Inward investment continued to play an important part in the West Midlands economy and there are now some 900 foreign owned businesses located in the region. Like last year the majority of projects involved expansions or modernisations of existing operations, with greenfield investments in short supply. Competition for internationally mobile investment projects remained fierce within Europe, and all the indications are that this will remain in the case for the foreseeable future.

Regional Selective Assistance

The difficult economic climate was reflected for much of the year in the number of formal applications received. However, the last quarter showed a marked increase in activity. At the year end 228 applications had been received, compared with 229 in 1991-92. Of the 214 decisions taken in the year, 153 led to an offer of grant. Many cases were highly complex and an increased proportion of rejections and withdrawals arose largely from applicants' difficulties in assembling adequate financial resources to support their proposals.

The size of companies receiving grant offers in the West Midlands reflects the structure of the local economy. More than 75 per cent of grant offers were to applicants with units of less than 50 employees, and a further 10 per cent were to

applicants with units of between 50 to 100 employees. Only a little over 5 per cent of offers were to units employing over 200 staff.

Total grant offered was £11.5 million towards investment of £119 million, and it is expected that 4,058 jobs will be created or safeguarded as a result. The West Midlands Industrial Development Board considered 18 applications for assistance during the year, and approved grant totalling £7.9 million, of which £3.4 million was for inward investment projects.

Regional Enterprise Grants

Innovation Grants became available in the West Midlands from 18 May 1992, when the scheme was extended to Intermediate Areas. During the financial year 77 applications were made; these led to 37 offers of grant amounting to £0.82 million.

Membership

The only change in membership during the year was the departure of Mr T S Kelleher, whose appointment expired on 31 December 1992.

BRYAN BAKER

Chairman

North West Industrial Development Board

Business activity in the North West has continued to reflect the low level of demand in the economy, but there are still many success stories. Often these have concerned firms which have rigorously modernised their production, sometimes gaining market share at the expense of failed competitors. The departure from the ERM in the autumn and the 15 per cent sterling depreciation, together with interest rate reductions, have all helped many firms, although as expected, useful gains in exports, or replacement of imports, have sometimes been offset by the need to source key strategic components/materials from abroad. Although some North West firms claimed to be looking at the possibility of increased United Kingdom sourcing, the declining home manufacturing base is a matter for concern. In general there has been a detectable improvement in business confidence right at the end of the period covered by this report, although it is likely to be some time before the region's employment situation shows a similar improvement.

In the retail and many other sectors reasonable margins are still difficult to sustain, while the construction industry continues to be in a serious recession. The engineering industry has struggled with mixed success in difficult trading conditions. Both the military and civil aircraft industries have had to face low demand, although the worst effects have been offset by some big orders, international joint ventures and the survival of the EFA project. The automotive industry has also endured mixed fortunes, with some major investment projects in the region to set against the well publicised problems of the commercial vehicle industry.

Capacity continues to be cut in the region's textile, clothing, and footwear sectors, and while the food and chemical industries continue to play a major role in the region's economy, bulk chemicals in particular has been under severe pressure because of low world prices, increases in electricity charges to large users, and the need to make heavy investment in environmental projects.

Within the Merseyside sub-region, the recession has exacerbated long standing problems. While some sectors have seen major investment, the general level of spending has remained low, reflecting the need to secure efficiency improvements rather than to increase capacity. This has contributed to a number of major job loss announcements, notably from the automotive, chemical, mining and defence-related sectors. On a more positive note, the year has seen continued growth at the Port of Liverpool and associated Freeport, and a major opportunity for that area's wider regeneration through Sefton's successful City Challenge bid. The Board welcomes the prospective increase in infrastructural and other investment which will be brought to Merseyside with acceptance of the European Commission's proposal that the area should be given Objective 1 status.

Unemployment Trends

During the 12 months to March 1993 unemployment rose from 10.5 per cent to 11.1 per cent compared with a GB average of 10.6 per cent. The Liverpool Travel-To-Work-Area, with a rate of 15.0 per cent, continues to have the most serious problems. As before there is considerable variation within the region; these, and the looming problems of West Cumbria and Furness, remain as described in last year's commentary. The Board hopes that the current review of the Assisted Area map will recognise there are difficulties in areas which are at present non-assisted. In the last 12 months to December 1992 the North West experienced a net loss of 54,000 jobs, 40,000 of which were in manufacturing, while business failures in 1992 increased by 22 per cent. In spite of the continuing high levels of unemployment, skill shortages, particularly in engineering, persist.

Regional Grants

Four hundred and five applications for RSA were received in 1992-93, compared with 462 in 1991-92. In spite of this apparent fall in demand, actual offers increased to 309 compared with 281 in the previous year. Total grant offered also increased from £29.2 million to £37.7 million, in respect of projects involving capital expenditure of £236 million creating 3,600 jobs and safeguarding 4,513 existing jobs (corresponding figures last year £206 million, 4,111 and 3,040); 94 per cent of offers were still made to companies employing less than 200 people and 48 per cent of the total were for grants of £25,000 or less. Taken together these figures probably imply that the level of investment

in the region in 1992-93 was similar to that in the previous year, with no marked change in investment confidence.

Within the Manchester/Salford City Action Team area, 39 offers of assistance have been made, associated with £1.5 million of grant towards projects worth £13.9 million in total, involving the creation of 433 new jobs and safeguarding a further 59. In the Liverpool/Birkenhead City Action Team Area, 19 offers were made worth £4.9 million, involving the creation of 137 new jobs and the safeguarding of a further 400. Under the Regional Enterprise Grant Scheme 95 offers to a total value of £0.8 million were made during the year for investment projects, and for innovation projects, 41 offers were made worth £0.8 million.

Inward Investment and Regional Development

The Board welcomes the increased funding that the DTI has awarded to INWARD. This gives due recognition to the importance of inward investment to the Region and the central role of the Regional Development Organisation. In spite of difficult economic conditions worldwide, it is encouraging to note that INWARD has exceeded its targets and played a part in securing 35 inward investment projects, involving capital expenditure of £42.96 million and 2,551 jobs. We note also that once again Regional Selective Assistance has had a major part to play in the stimulation of inward investment in assisted areas with offers made during the year to 15 overseas companies.

In difficult market conditions there has been increased competition throughout Europe to attract mobile investment and we are conscious that these pressures can lead to fragmentation of effort within a region. We are glad to note that INWARD, with the support of DTI and English Estates, are pressing on with initiatives to increase collaboration within the region and are working closely alongside Urban Development Corporations, Local Authorities and the Training and Enterprise Councils in this process. While the Board recognises that such collaboration becomes more difficult as areas become pre-occupied with their local problems, it is nevertheless vital to the overall interests of the region.

The Board stresses the importance of the Manchester Olympic Bid, which if successful will bring substantial economic benefits, not only to the North West, but to the whole of the United Kingdom. It is all the more important, therefore, that the region's infrastructure should continue to be renewed and extended. The Board welcomes the scope for such renewal through City Challenge, where, in addition to Sefton already mentioned, bids from Blackburn, Wigan and Bolton have also been successful. However, there remains a need for an ongoing programme of improvements to the region's motorways and other roads, and to the rail network. While we welcome the introduction of Manchester's Metrolink, and other improvements

such as investment in the Trafford Park and Seaforth Channel Tunnel Euro-Freight terminals, and near completion of the Manchester Airport rail link, much remains to be done, particularly in the modernisation of the west coast main rail line, which is now of significantly lower standard than that on the east coast. We welcome initiatives to improve the region's roads, but better links to the east coast are increasingly important as a way of maximising the region's export potential to continental Europe, while the completion of the Manchester motorway box and the link from the M65 to the M6 are both urgently needed.

The Board is glad to note that in spite of the recession, plans for significant industrial and commercial development, such as the East Manchester Medical Science Park, continue to be made. Another encouraging development was the recent opening of Manchester airport's second terminal during the year, which was a further demonstration of its remarkable growth in response to market demand. Its continued growth, for the benefit of the region and the country at large, is strongly supported by us. Liverpool and other regional airports also play an important role in providing air links out of the region.

The Consultancy Scheme

Despite the cessation of promotion, applications for consultancy help by small and medium-sized firms continued to be high, with the North West being the most buoyant region in terms of demand. At 31 March 1993, 16,902 applications had been received and 8,377 projects had been completed since the scheme commenced in January 1988. The Quality Consultancy continued to predominate accounting for some 65 per cent of all applications.

Export Performance

The Board is pleased to note that the usage of DTI export services remains buoyant with many companies turning to exporting as a way of beating the recession at home. Although the Board welcomes the improvement in the Government services to exporters, vigilance is still necessary to ensure that United Kingdom exporters enjoy equal opportunities within Europe, now that the physical barriers to trade have been largely dismantled.

Membership

During the year Messrs Lawson and Dwek retired from the Board, which wishes to record its gratitude to them both for the valuable contributions they have made during their years of service. Two new members—Mr Ffoulkes-Jones and Mrs Coates—were welcomed to the Board. Members noted with pleasure the award of a CBE to Mr Foden in the 1993 New Year Honours.

D L DAVIES

Chairman

Appendices

	<i>Page</i>		<i>Page</i>
1		Sections 11 and 15 of the Industrial Development Act 1982	20
2		Assistance under Parts I, II and III of the Industrial Development Act 1982 and Parts I(2) and II of the Industry Act 1972	21
		Table 1: Offers by Region 2: Payments by Region	
3		Unemployment Statistics	22
4		Regional Development Grants	23
		Note: Description of the Scheme Original Regional Development Grants	
		Table 1: Payments by groups of qualifying activities 1972-73 to 1992-93	
		2: Payments by Region in 1992-93	
		3: Payments by Region in 1972-73 to 1992-93	
		Revised Regional Development Grants:	
		Table 4: Approvals and payments by type of industry	
		5: Approvals and payments by Region	
5		Statistics relating to Regional Enterprise Grants	25
		Table 1: Offers and payments of Investment Grants to 31 March 1993	
		Table 2: Offers and payments of Innovation Grants to 31 March 1993	
		Table 3: Offers and payments of total Investment and Innovation Grants to 31 March 1993	
6		Selective Financial Assistance under Section 7 of the Industrial Development Act 1982	26
		Note: General Guidelines for Regional Selective Assistance	
7		Statistics relating to Section 7 of the Industrial Development Act 1982	27
		Tables 1-2: Applications received and offers accepted by Assisted Area	
		3: Offers accepted in English Regions	
		4: Offers, payments and employment created	
		5: Offers and payments by type of industry	
		6: Applications, offers and payments by country	
		7: Applications, offers and payments by English Regions	
		8: Offers and payments for closed schemes	
		9: Summary of payments made by financial year	
8		Exchange Risk Guarantee Scheme for Loans from the European Coal and Steel Community	33
		Note: Description of the Scheme	
9		Assistance under Section 13 of the Industrial Development Act 1982 and Section 7 of the Local Employment Act 1972	34
		Table: Improvement of basic services in the areas of expansion	
10		Assistance under Section 14 of the Industrial Development Act 1982 and the English Industrial Estates Corporation Act 1981	35
		Table 1: Stock of premises managed by English Estates at 31 March 1993	
		2: Employment in occupied English Estates premises at 31 March 1993	
		3: English Estates premises	
		4: Factory buildings completed during 1992-93	
		5: Rent free periods granted during 1992-93	
		6: Expenditure and receipts in respect of land and factory buildings in 1992-93	
		7: Analysis of 1992-93 DTI capital expenditure	
11		Assistance under Section 1 of the Derelict Land Act 1982 and Section 8 of the Local Employment Act 1972	38
		Table: Clearance of derelict land	
12		Assistance under Section 8 of the Industrial Development Act 1982	39
		Table: Summary of applications and offers to 31 March 1993	
13		Small Firms Loan Guarantee Scheme	40
		Table 1: Guarantees issued from June 1981 to 31 March 1993 by Region	
		2: Guarantees issued from 1 May 1989 to 31 March 1993 by Region	
14		Assistance for Exceptional Projects	41
		Note: Particulars of the measure	
		Table: Applications and offers to 31 March 1993	
15		Assistance for the Development of Certification Schemes	42
		Note: Description of the measure	

16 Assistance to the Shipbuilding Industry	Page 43
Note: Particulars of the Home Credit Scheme	
Table: Statement of Guarantees to 31 March 1993	

17 The Consultancy Initiatives	44
Note: Description of the Schemes	
Table 1: Applications to 31 March 1993	

	Page
Table 2: Projects approved by Assisted Area and Urban Programme Area to 31 March 1993	
Table 3: Projects approved by Industrial Sector to 31 March 1993	
Table 4: Projects approved by size of firm to 31 March 1993	
18 Chairmen and Members of the Industrial Development Advisory Boards and Industrial Development Boards	46

Sections 11 and 15 of the Industrial Development Act 1982

Section 11

1. The Secretary of State may make provision for the giving of advice (whether free of charge or otherwise) to persons carrying on or proposing to carry on a business.

2. Not later than six months after the end of any financial year in which this power is used the Secretary of State shall prepare and lay before Parliament a report on the exercise during the year of his powers under this section.

3. In the application of this Section to a financial year beginning before the commencement of this Act, the reference in sub-section (2) above to the Secretary of State's powers under this Section shall include a reference to his powers under Section 18 of the Industry Act 1980.

Section 15

1. For each financial year the Secretary of State shall prepare a report on the discharge of his functions:

- (a) under Parts I to II and Sections 13 and 14 of this Act;
- (b) under Section 67(1) of the Town and Country Planning Act 1971 and Section 65(1) of the Town and Country Planning (Scotland) Act 1972 (Industrial Development Certificates);
- (c) under Part III of the Industry Act 1972 (including any functions in respect of guarantees given by him under Section 7 of the Shipbuilding Industry Act 1967); and

(d) under the English Industrial Estates Corporation Act 1981

and shall lay the report before Parliament not later than six months after the end of the financial year to which it relates.

2. The Secretary of State may discharge his duty under this Section in any year by making a report on his functions under Part I, Part II, Part III or Sections 13 and 14 of this Act or under the other enactments mentioned in sub-section (1) above and one or more separate reports on the remaining functions.

3. A report under this Section relating to Part III of this Act or Part III of the Industry Act 1972 shall contain a statement showing the total amount of the liabilities of the Secretary of State (exclusive of any liability in respect of interest on a principal sum) under guarantees given by him under Part III of this Act or Part II of that Act or, as the case may be, under Part III of that Act (and in the latter case shall include liabilities under guarantees given under Section 7 of the Shipbuilding Industry Act 1967).

4. In the application of this Section in relation to a financial year beginning before the commencement of this Act any reference in sub-section (1) above to a provision of this Act shall include a reference to the enactment re-enacted in that provision.

APPENDIX 2

Assistance under Parts I, II and III of the Industrial Development Act 1982 and Parts 1(2) and II of the Industry Act 1972

TABLE 1 ANALYSIS OF OFFERS BY REGION TO MARCH 1993(a)

£ million

Region	Regional Development Grants (b)	Section 8				Totals	
		Section 7	General Investment Measures		Other Measures		
		Grants	Grants	Loans/Equity (c)		Grants	Loans/Equity (c)
Scotland	nil	751.9	26.3	nil	59.8	838.0	nil
Wales	nil	610.0	28.8	nil	20.1	658.9	nil
North East	nil	334.5	7.7	0.5	36.7	378.9	0.5
Yorkshire and Humberside	nil	169.8	22.6	nil	100.3	292.7	nil
East Midlands	nil	36.0	17.1	nil	70.4	123.5	nil
South East	nil	nil	63.2	0.4	176.9	240.1	0.4
South West	nil	63.6	9.7	nil	57.0	130.3	nil
West Midlands	nil	185.7	43.1	0.3	92.4	321.2	0.3
North West	nil	272.6	34.2	nil	115.0	421.8	nil
Northern Ireland	nil	nil	nil	nil	6.4	6.4	nil
Mixed	nil	nil	0.6	4.9	0.8	1.4	4.9
Total	nil	2,424.1	253.3	6.1	735.8	3,413.2	6.1
Of which in year ended 31.3.93	nil	223.6	nil	nil	15.7	239.3	nil

(a) This table summarises assistance described in Appendices 5, 7 and 12 (excluding the Energy Conservation Scheme, Steel Castings Rationalisation Scheme and Certification Schemes)

(b) Figures for offers are not appropriate

(c) These figures do not take account of repayments and interest

TABLE 2 ANALYSIS OF PAYMENTS BY REGION TO MARCH 1993(a)

£ million

Region	Regional Development Grants (b)	Section 8				Totals	
		Section 7	General Investment Measures		Other Measures		
		Grants	Grants	Loans/Equity (c)		Grants	Loans/Equity (c)
Scotland	1,936.0	467.9	20.3	nil	44.0	2,468.2	nil
Wales	1,220.1	343.5	28.4	nil	12.8	1,604.8	nil
North East	1,759.5	261.8	6.8	0.5	25.2	2,053.3	0.5
Yorkshire and Humberside	409.7	126.8	18.3	nil	75.3	630.1	nil
East Midlands	86.1	33.2	16.3	nil	52.8	188.4	nil
South East	nil	nil	57.2	0.4	129.8	187.0	0.4
South West	125.0	44.7	8.6	nil	43.5	221.8	nil
West Midlands	2.7	119.6	37.8	0.2	62.5	222.6	0.2
North West	1,168.6	234.0	32.1	nil	88.3	1,523.0	nil
Northern Ireland	nil	nil	nil	nil	5.6	5.6	nil
Mixed	nil	nil	0.6	4.9	0.5	1.1	4.9
Total	6,707.7	1,631.5	226.4	6.0	540.3	9,105.9	6.0
Of which in year ended 31.3.93	25.7	189.1	0.6	nil	9.7	225.1	nil

(a) This table summarises assistance described in Appendices 4, 5, 7 and 12 (excluding the Energy Conservation Scheme, Steel Castings Rationalisation Scheme and Certification Schemes)

(b) For old Regional Development Grants, the figures for the North East Region include Cumbria. Unless otherwise stated, Cumbria is usually included in the North West Region

(c) These figures do not take account of repayments and interest

APPENDIX 3

Unemployment Statistics (a)

1992 UNEMPLOYMENT BY AA STATUS
(Narrow base, see note (a))

<i>Region (b)</i>	<i>Number (000)</i>	<i>Per Cent</i>
Scotland		
DA	140.2	13.2
IA	39.8	12.4
NAA	61.1	7.5
Total (c)	241.0	11.0
Wales		
DA	47.8	12.6
IA	67.9	11.6
NAA	11.5	9.0
Total	127.2	11.6
Northern		
DA	122.4	14.5
IA	18.2	11.5
NAA	17.3	8.0
Total (c)	157.8	12.9
Yorkshire/Humberside		
DA	23.9	14.2
IA	116.3	12.9
NAA	96.5	9.5
Total (c)	236.6	11.4
East Midlands		
DA	3.6	10.0
IA	5.3	10.3
NAA	165.9	10.3
Total (c)	174.9	10.3
East Anglia	77.7	9.0
South East (d)	854.1	10.8
South West		
DA	12.5	18.0
IA	25.6	14.2
NAA	170.8	10.3
Total	208.9	11.0
West Midlands		
IA	211.5	13.4
NAA	59.0	9.1
Total	270.5	12.2
North West		
DA	132.6	15.4
IA	101.0	11.2
NAA	90.1	9.9
Total	323.7	12.1
Great Britain		
DA	483.0	14.1
IA	585.6	12.5
NAA	1,603.9	10.2
Total (c)	2,672.4	11.2

Notes

- (a) Unemployment data is a twelve month average, over the calendar year, of Department of Employment claimant count with 1991 estimates of employees in employment used in calculating the (narrow) base.
- (b) DA = Development Area
IA = Intermediate Area
NAA = Non Assisted Area
Assisted Area boundaries are as last defined (in November 1984). The standard regions are used.
- (c) Small discrepancies in totals are due to rounding.
- (d) In this table, the South East includes London, but not East Anglia.

APPENDIX 4

Regional Development Grants

Regional Development Grants (RDGs) are payable under part II of the Act. On 29 November 1984 a revised RDG scheme came into effect by virtue of the substitution of a new part II of the Act for the old one. However, the original scheme continued in force under the Transitional Arrangements in the Co-operative Development Agency and Industrial Development Act (Commencement) Order 1984. The closure of the revised Scheme was announced on 12 January 1988

and came into effect under the terms of the Regional Development Grant (Termination) Act 1988.

Note:

Further details of both Original and Revised Regional Development Grant Schemes are to be found in Appendix 4 of the Annual Report of the Industrial Development Act 1982 for the year ended 31 March 1990, published by HMSO: London ISBN 010 260090 2 Price £9.25 in September 1990.

TABLE 1 ORIGINAL REGIONAL DEVELOPMENT GRANTS: PAYMENTS BY GROUPS OF QUALIFYING ACTIVITIES IN GREAT BRITAIN

Standard Industrial Classification Orders	1992-93			1972-73 TO 1992-93		
	Plant and machinery (a)	Buildings and works (a)	Total	Plant and machinery (a)	Buildings and works (a)	Total
	Grant Paid			Grant Paid		
II Mining and quarrying	0	0	0	107,726	9,615	117,341
III Food, drink and tobacco	0	0	0	427,126	167,728	594,854
IV Coal and petroleum products	0	0	0	442,134	85,688	527,822
V Chemicals and allied industries	21	4	25	1,123,001	230,969	1,353,970
VI Metal manufacture	221	45	266	582,209	171,366	753,575
VII Mechanical engineering	265	54	319	241,493	101,454	342,947
VIII Instrument engineering	65	14	79	41,023	11,233	52,256
IX Electrical engineering	500	103	603	311,294	86,889	398,183
X Shipbuilding and marine engineering	0	0	0	53,595	34,507	88,102
XI Vehicles	1,173	240	1,413	256,155	67,766	323,921
XII Metal goods not elsewhere specified	0	0	0	97,216	43,107	140,323
XIII Textiles	9	2	11	95,936	43,107	139,043
XIV Leather, leather goods and fur	0	0	0	5,842	2,924	8,766
XV Clothing and footwear	0	0	0	37,555	15,486	53,041
XVI Bricks, pottery, glass, cement etc.	843	173	1,016	177,082	52,741	229,823
XVII Timber, furniture etc.	0	0	0	65,181	36,571	101,752
XVIII Paper, printing and publishing	172	35	207	229,270	72,458	301,728
XIX Other manufacturing industries	2,060	422	2,482	108,139	35,227	143,366
XX Construction	0	0	0	103,595	7,388	110,983
Other	36	8	44	39,819	17,054	56,873
Total	5,365	1,100	6,465	4,545,391	1,293,278	5,838,669

(a) Since 1982-83, the split between plant and machinery and buildings and works has been estimated from a sample number of applications. Note: The activities described in Orders II and XX of the Standard Industrial Classification ceased to be qualifying activities as from 31 October 1976.

TABLE 2 ORIGINAL REGIONAL DEVELOPMENT GRANTS: PAYMENTS BY REGION IN 1992-93

Area	Plant and machinery (a)			Buildings and works (a)			Total plant and machinery and buildings and works
	SDA	DA	Total plant and machinery	SDA	DA	Total buildings and works	
	Scotland	2,746	0	2,746	563	0	
Wales	944	0	944	193	0	193	1,137
Northern	1,636	0	1,636	336	0	336	1,972
Yorkshire & Humberside	0	2	2	0	1	1	3
East Midlands	0	0	0	0	0	0	0
South West	0	0	0	0	0	0	0
West Midlands	0	0	0	0	0	0	0
North West	0	37	37	7	0	7	44
Total	5,326	39	5,365	1,099	1	1,100	6,465

(a) The split between plant and machinery and buildings and works has been estimated from a sample number of applications.

TABLE 3 ORIGINAL REGIONAL DEVELOPMENT GRANTS: PAYMENTS BY REGION IN 1972-73 to 1992-93

£'000

Area	Plant and machinery (a)			Buildings and works (a)				Total plant and machinery and buildings and works	
	SDA	DA	Total plant and machinery	SDA	DA	IA	DLCA		
Scotland	756,182	601,057	1,357,239	186,685	141,289	12,660	0	340,634	1,697,873
Wales	368,923	499,505	868,428	71,464	96,302	17,817	0	185,583	1,054,011
Northern	619,485	683,547	1,303,032	138,276	125,267	47	0	263,590	1,566,622
Yorkshire & Humberside	0	172,281	172,281	0	39,167	136,611	0	175,778	348,059
East Midlands	0	26,454	26,454	0	4,872	17,313	3,979	26,164	52,618
South West	9,450	70,687	80,137	2,531	17,349	4,946	0	24,826	104,963
West Midlands	0	0	0	0	0	680	2,011	2,691	2,691
North West	635,761	102,059	737,820	133,219	17,370	123,423	0	274,012	1,011,832
Total	2,389,801	2,155,590	4,545,391	532,175	441,616	313,497	5,990	1,293,278	5,838,669

(a) Since 1982-83, the split between plant and machinery and buildings and works has been estimated from a sample number of applications. Note: The cumulative figures shown in Table 3 may not agree in certain cases with the sum of figures shown for individual years (Table 2). This is because when Table 3 was introduced for the first time in the Annual Report for the year ended 31 March 1977 it took account of information which was not available when the annual tables in Reports for earlier years were prepared.

TABLE 4 REVISED REGIONAL DEVELOPMENT GRANTS: VALUE OF PAYMENTS IN GREAT BRITAIN

£'000

Standard Industrial Classification Division (SIC 1980)	1992-93	1984-85 (a) to 1992-93	
	Payments	Grant in relation to approved projects (b)	Payments
1. Energy and water supply industries	0	3,469	1,655
2. Extraction of minerals and ores other than fuels; manufacture of metals, mineral product	1,740	142,077	80,926
3. Metal goods, engineering and vehicle industries	11,495	553,469	332,655
4. Other manufacturing industries	5,680	583,510	356,877
7. Transport and communications	0	13,788	8,360
8. Banking, finance, insurance, business services and leasing	90	73,916	47,325
9. (i) Industrial research and development in specialised research establishments only	118	2,089	961
(ii) Football pools only	0	66	24
Other	129	67,424	40,206
Total	19,252	1,439,808	868,989

(a) From 29 November 1984.

(b) No new approvals were made in financial year 1992-93. The differences in grant approved related to revisions to previous approvals.

TABLE 5 REVISED REGIONAL DEVELOPMENT GRANTS: VALUE OF PAYMENTS MADE BY REGION

£'000

Area	1992-93	1984-85 (a) to 1992-93	
	Payments	Grant in relation to approved projects (b)	Payments
Scotland	5,644	430,630	238,146
Wales	4,640	275,105	166,102
North East	6,367	287,738	192,914
North West	1,211	238,763	156,737
Yorkshire and Humberside	1,121	96,698	61,649
East Midlands	269	77,255	33,449
South West	0	33,619	19,992
Total	19,252	1,439,808	868,989

(a) From 29 November 1984.

(b) No new approvals were made in financial year 1992-93. The differences in grant approved related to revisions to previous approvals.

APPENDIX 5

Regional Enterprise Grants

Applications Received, Offers Made, Offers Accepted, and Payments Made: 1 April 1992 to 31 March 1993

1. INVESTMENT GRANTS

Region	Applications:		Offers:				
	Number	Project Costs (£'000)	Number	Offer Value at Application	Number Accepted	Value of Accepted Offer	Payments (£'000)
Scotland	272	17,375	183	1,589	184	1,482	1,317
Wales	133	10,039	96	708	87	661	563
North East	254	15,163	152	1,062	167	1,180	1,220
Yorkshire & Humberside	204	14,343	124	1,149	127	1,147	979
East Midlands	35	6,672	19	196	21	214	126
South West	105	8,501	76	523	83	561	557
North West	186	25,838	95	814	96	850	819
Total	1,189	97,931	745	6,041	765	6,095	5,581

2. INNOVATION GRANTS

Region	Applications:		Offers:				
	Number	Project Costs (£'000)	Number	Offer Value at Application	Number Accepted	Value of Accepted Offer	Payments (£'000)
Scotland	200	20,172	103	2,401	96	2,223	1,461
Wales	137	10,076	83	1,734	76	1,601	533
North East	82	6,556	33	717	34	742	303
Yorkshire & Humberside	164	12,296	103	2,350	99	2,267	850
East Midlands	51	5,852	34	742	32	717	159
South East	7	1,670	1	25	0	—	—
South West	44	2,681	22	477	23	487	200
West Midlands	77	6,540	37	826	33	726	62
North West	125	11,295	41	867	41	889	516
Total	887	77,138	457	10,139	434	9,652	4,084

3. TOTAL INVESTMENT AND INNOVATION GRANTS

Region	Applications:		Offers:				
	Number	Project Costs (£'000)	Number	Offer Value at Application	Number Accepted	Value of Accepted Offer	Payments (£'000)
Scotland	472	37,547	286	3,990	280	3,705	2,778
Wales	270	20,115	179	2,442	163	2,262	1,096
North East	336	21,719	185	1,779	201	1,922	1,523
Yorkshire & Humberside	368	26,639	227	3,499	226	3,414	1,829
East Midlands	86	12,524	53	938	53	931	285
South East	7	1,670	1	25	0	—	—
South West	149	11,182	98	1,000	106	1,048	757
West Midlands	77	6,540	37	826	33	726	62
North West	311	37,133	136	1,681	137	1,739	1,335
Total	2,076	175,069	1,202	16,180	1,199	15,747	9,665

Selective Financial Assistance under Section 7 of the Industrial Development Act 1982

General Guidelines for Regional Selective Assistance

The purpose of providing assistance under Section 7 is to encourage sound projects which will improve employment opportunities in the Assisted Areas.

Projects qualifying for assistance fall into two broad categories:

- (A) new projects and expansions which create employment
- (B) projects, eg for modernisation or rationalisation, which do not provide extra jobs but maintain or safeguard existing employment.

Exceptional cases which fall into neither category are decided in the light of circumstances.

Applications for selective assistance are considered against five main criteria viz:

- (a) *Viability*
An assessment is made of the viability of the project and of the undertaking seeking assistance;
- (b) *Proof of Need*
The applicant must demonstrate that the assistance is needed for the project to go ahead on the basis proposed.
- (c) *Efficiency*
Assistance is provided only for projects which are likely to strengthen the regional and national economy and thereby provide more productive and secure jobs, eg by improving efficiency and/or by the introduction of new technology or products. Job displacement elsewhere is also taken into consideration.
- (d) *Employment Link*
Assistance is only provided where there is a benefit to employment. Projects should lead to a creation of additional employment (Category A) or the safeguarding of existing employment through modernisation or rationalisation (Category B) in the Assisted Areas.
- (e) *Public Sector Contribution*
The greater part of the cost of projects should be met by the applicant or from other sources outside the public sector.

Eligible Industries

Broadly, all projects in the manufacturing and service industries are eligible, but projects serving primarily local markets are not normally assisted.

Projects are not normally assisted under Section 7 if adequate provision for Government assistance is made under specified schemes, eg Ministry of Agriculture, Fisheries and Food schemes for agricultural, horticultural and fishery projects, or if assistance is being sought under alternative schemes. Some sectors are the subject of restrictions imposed by the European Commission affecting the granting of regional aid.

Forms of Assistance

The normal form of assistance is a project grant related to the fixed and working capital costs of the project and the number of jobs involved. The grants are discretionary and are usually paid in annual instalments related to expenditure on the project and achievement of its forecast objectives. Grants may be repayable if objectives (such as the provision of jobs) are not maintained for a period after project completion.

Assistance may also be offered in the form of Exchange Risk Cover on medium-term foreign currency loans from the European Coal and Steel Community.

Assistance may take just one of these forms or may be negotiated as a package involving a combination of project grant and exchange risk cover tailored to the needs of the individual project. In each case, however, the total amount of assistance is negotiated as the minimum necessary to enable the project to go ahead. There are powers under Section 7 to provide assistance by any description of investment, lending or guarantee but forms of assistance other than grants, are provided only in exceptional circumstances. Assistance is made available subject to any restrictions or limitation imposed by the European Community.

Procedures and Delegation

The powers to provide Regional Selective Assistance in England are exercised by the Secretary of State for Trade and Industry, who also has responsibility for certain projects for the whole of Great Britain. In Scotland and Wales the powers are exercised by the Secretaries of State for Scotland and Wales respectively.

APPENDIX 7

Statistics Relating to Section 7 of the Industrial Development Act 1982

The tables in this appendix follow the same format as in last year's report. Details of schemes that have closed are given at table 8.

Cumulative information is shown from April 1982. The tables indicate where information relating to earlier years can be found.

TABLE 1 PROJECT GRANTS BY ASSISTED AREA
APPLICATIONS RECEIVED 1 APRIL 1992 TO 31 MARCH 1993
CUMULATIVE APPLICATIONS RECEIVED 1 APRIL 1982 TO 31 MARCH 1993

Country/Region	Applications Received 1.4.92 to 31.3.93						Cumulative Applications Received 1.4.82 to 31.3.93							
	Development Areas		Intermediate Areas		All Assisted Areas		Special Development Areas (1)	Development Areas		Intermediate Areas		All Assisted Areas		
	No.	Value (£'000)	No.	Value (£'000)	No.	Value (£'000)	No.	Value (£'000)	No.	Value (£'000)	No.	Value (£'000)	No.	Value (£'000)
Great Britain	870	342,283	772	140,243	1,642	482,526	1,458	385,588	7,108	2,552,636	10,525	1,393,972	19,091	4,332,196
Scotland	207	108,553	38	41,273	245	149,826	547	171,931	1,575	886,483	475	166,739	2,597	1,225,153
Wales	140	87,832	90	20,880	230	108,712	330	81,786	1,299	548,190	1,093	261,482	2,722	891,458
England	523	145,898	644	78,090	1,167	223,988	581	131,871	4,234	1,117,963	8,957	965,751	13,772	2,215,585
East Midlands	11	1,887	14	1,179	25	3,066	nil	nil	266	40,451	238	15,529	504	55,980
North East	213	42,734	23	8,608	236	51,342	327	87,799	1,795	446,477	414	42,730	2,536	577,006
North West	207	86,744	198	15,730	405	102,474	228	41,887	1,391	392,267	2,110	204,776	3,729	638,930
South West	46	6,216	49	2,813	95	9,029	23	2,137	322	56,062	514	58,393	859	116,592
West Midlands (2)	nil	nil	228	36,236	228	36,236	nil	nil	nil	nil	4,102	424,739	4,102	424,739
Yorkshire and Humberside	46	8,317	132	13,524	178	21,841	3	48	460	182,706	1,579	219,584	2,042	402,338

(1) Period covered 1.4.82 to 29.11.84 when Special Development Areas ceased.

(2) Granted Assisted Area status in November 1984.

TABLE 2 PROJECT GRANTS BY ASSISTED AREA
OFFERS ACCEPTED 1 APRIL 1992 TO 31 MARCH 1993
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1982 (1) TO 31 MARCH 1993

Country/Area	No.	Offers Accepted 1.4.92 to 31.3.93				Cumulative Offers Accepted (2) 1.4.82 to 31.3.93				Payments 1.4.82 to 31.3.93 (4) (£'000)	
		Value (£'000)	Associated Project Costs (£'000)	Forecast (3) Employment		No.	Value (£'000)	Associated Project Costs (£'000)	Forecast (3) Employment		
				New	Safeguarded				New		Safeguarded
Scotland:											
Special Development Area	nil	nil	nil	nil	nil	379	91,389	1,129,253	21,098	10,088	97,976
Development Area	169	68,590	472,214	7,173	2,222	1,234	519,189	4,489,994	59,838	30,618	257,405
Intermediate Area	29	5,333	48,342	1,337	454	422	94,841	1,023,239	19,190	11,890	57,656
Total	198	73,923	520,556	8,510	2,676	2,035	705,419	6,642,486	100,126	52,596	413,037
Wales:											
Special Development Area	nil	nil	nil	nil	nil	205	53,619	530,669	11,412	4,189	42,174
Development Area	112	50,469	265,249	4,412	2,071	915	355,151	2,319,825	46,405	26,553	183,575
Intermediate Area	81	22,531	202,207	3,392	2,643	807	188,691	1,983,298	33,150	18,122	100,517
Total	193	73,000	467,456	7,804	4,714	1,927	597,461	4,833,792	90,967	48,864	326,266
England:											
Special Development Area	nil	nil	nil	nil	nil	432	94,328	892,086	19,623	11,459	123,707
Development Area	321	48,849	271,199	5,931	1,898	2,676	503,416	4,386,358	78,976	35,104	324,540
Intermediate Area	396	27,826	269,916	5,852	3,496	5,752	425,088	4,372,849	118,270	61,047	310,692
Total	717	76,675	541,115	11,783	5,394	8,860	1,022,832	9,651,293	216,869	107,610	758,939
Great Britain:											
Special Development Area	nil	nil	nil	nil	nil	1,016	239,336	2,552,008	52,133	25,736	263,857
Development Area	602	167,908	1,008,662	17,516	6,191	4,825	1,377,756	11,196,177	185,219	92,275	765,520
Intermediate Area	506	55,690	520,465	10,581	6,593	6,981	708,620	7,379,386	170,610	91,059	468,865
Total	1,108	223,598	1,529,127	28,097	12,784	12,822	2,325,712	21,127,571	407,962	209,070	1,498,242

(1) Information prior to 1982-83 can be obtained from earlier Annual Reports of the Industrial Development Act.

(2) Offers in Special Development Areas relate to applications received between 1.4.82 and 29.11.84 when such areas ceased.

(3) Forecast employment figures are based on company forecasts for the project at the time of offer.

(4) Payments made in period shown; includes payments on projects for which offer was accepted in an earlier year.

TABLE 3 PROJECT GRANTS IN ENGLISH REGIONS
OFFERS ACCEPTED 1 APRIL 1992 TO 31 MARCH 1993
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1982 (1) TO 31 MARCH 1993

English Regions	Offers Accepted 1.4.92 to 31.3.93					Cumulative Offers Accepted 1.4.82 to 31.3.93					Payments 1.4.82 to 31.3.93 (3) (£'000)
	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast (2) Employment		No.	Value (£'000)	Associated Project Costs (£'000)	Forecast (2) Employment		
				New	Safeguarded				New	Safeguarded	
East Midlands	11	803	11,175	231	101	371	28,874	246,638	10,537	1,320	25,121
North East	149	25,367	146,131	3,605	624	1,806	319,387	3,131,391	58,936	20,832	242,860
North West	260	26,038	160,445	3,081	2,514	2,391	266,667	2,157,078	40,558	35,600	214,780
South West	64	6,377	31,061	1,061	285	507	60,648	516,660	13,971	2,755	41,818
West Midlands	116	7,177	90,764	1,704	854	2,500	181,425	1,848,345	54,498	25,623	115,586
Yorkshire and Humberside	117	10,913	101,539	2,101	1,016	1,285	165,831	1,751,181	38,369	21,480	118,774

(1) Information prior to 1982-83 can be obtained from earlier Annual Reports of the Industrial Development Act.

(2) Forecast employment figures are based on company forecasts for the project at the time of offer.

(3) Payments made in period shown; includes payments on projects for which offer was accepted in an earlier year.

(4) Granted Assisted Area status in November 1984.

TABLE 4 PROJECT GRANTS—EMPLOYMENT
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1982 TO 31 MARCH 1991
PAYMENTS AND EMPLOYMENT CREATED OR SAFEGUARDED 1 APRIL 1982 TO 31 MARCH 1993

Country/Region	Offers Accepted 1.4.82 to 31.3.91			Offers Accepted 1.4.82 to 31.3.91 where some payment made up to 31.3.93			Total payments to 31.3.93 (£'000)	Employment created and safeguarded to 31.3.93
	No.	Value (£'000)	Forecast (1) Employment	No.	Value (£'000)	Forecast (1) Employment		
Great Britain	10,655	1,893,150	534,562	9,224	1,659,444	464,708	1,302,210	377,369
Scotland	1,677	578,834	133,121	1,448	504,087	116,443	383,155	90,755
Wales	1,534	447,609	114,066	1,211	374,219	96,176	278,037	78,799
England	7,444	866,707	287,375	6,565	781,138	252,089	641,018	207,815
East Midlands	339	26,515	10,620	300	24,017	9,355	21,687	8,297
North East	1,497	276,913	71,163	1,343	258,576	63,615	206,016	48,545
North West	1,896	215,394	63,815	1,702	200,998	58,844	169,551	51,572
South West	372	49,356	14,276	321	44,658	12,827	35,698	10,425
West Midlands (2)	2,251	161,623	73,341	1,955	136,273	62,411	109,039	51,508
Yorkshire and Humberside	1,089	136,906	54,160	944	116,616	45,037	99,027	37,468

(1) Forecast employment figures are based on company forecasts for the project at the time of offer.

(2) Granted Assisted Area status in November 1984.

TABLE 5 PROJECT GRANTS (1) IN GREAT BRITAIN BY TYPE OF INDUSTRY
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1982 TO 31 MARCH 1993

Standard Industrial Classification (SIC) 1980		Cumulative Offers Accepted 1.4.82 to 31.3.93					Payments 1.4.82 to 31.3.93 (£'000)
		No.	Value (£'000)	Associated Project Costs (£'000)	Forecast (2) Employment		
Class/Description	New				Safeguarded		
01-03	Agriculture, forestry and fishing	40	1,683	13,975	549	84	1,022
11-17	Energy and water supply industries	59	6,427	48,169	1,307	293	3,870
21-26	Extraction of minerals fuels; manufacture of metals, mineral products and chemicals	1,423	298,043	2,934,740	40,907	36,501	200,971
33, 34	Computers, electrical engineering	1,168	557,425	5,504,491	86,430	36,774	321,387
31, 32	Metal goods, 3,895	647,204	5,614,970	107,676	70,350	436,460	
35-37	engineering and vehicles industry						
41, 42	Food, drink and tobacco	791	192,754	1,349,358	29,810	16,111	125,117
43-45	Textiles, leather, clothing and footwear	1,189	120,853	895,878	38,239	19,758	90,595
46-49	Timber, furniture, paper, printing, rubber, plastics and other manufacturing	2,811	339,904	3,372,694	65,649	25,593	235,537
50	Construction	164	7,504	63,663	3,895	254	5,064
61-67	Distribution, hotels and catering repairs	498	47,711	449,675	10,802	1,344	23,481
71, 72	Transport and	125	15,815	219,035	4,577	367	8,786
74-77	communications						
79							
81-85	Banking, finance, insurance, business services and leasing	483	54,467	415,269	13,493	1,049	30,054
91-99	Other services	176	35,922	245,654	4,628	592	15,898
Total		12,822	2,325,712	21,127,571	407,962	209,070	1,498,242

(1) Information on closed schemes and on Project Grants prior to 1982-83 can be obtained from earlier Annual Reports of the Industrial Development Act.

(2) Forecast employment figures are based on company forecasts for the project at the time of offer.

TABLE 6 PROJECT GRANTS BY COUNTRY
APPLICATIONS, OFFERS ACCEPTED AND PAYMENTS MADE 1989-90 TO 1992-93

Country	Financial year of application, acceptance of payment	Applications		Offers Accepted (1)				Payments (3) (£'000)	
		No.	Value (£'000)	No.	Value (£'000)	Forecast (2) Employment			
						Associated Project Costs (£'000)	New		Safeguarded
Great Britain:	1989-90	2,135	637,091	1,569	266,440	2,589,681	42,596	13,488	173,476
	1990-91	1,732	357,232	1,218	342,856	2,440,240	45,198	10,507	185,945
	1991-92	1,652	361,837	1,059	208,966	1,664,828	28,842	12,747	192,934
	1992-93	1,642	482,526	1,108	223,598	1,529,127	28,097	12,784	189,049
Scotland:	1989-90	314	263,760	235	77,628	662,273	9,970	3,922	37,792
	1990-91	239	101,531	196	174,728	1,114,233	17,197	3,677	66,815
	1991-92	203	90,740	160	52,662	332,577	6,524	1,891	63,560
	1992-93	245	149,826	198	73,923	520,556	8,510	2,676	59,170
Wales:	1989-90	274	128,634	190	61,653	445,490	8,151	3,493	34,954
	1990-91	264	89,229	200	79,645	429,739	9,560	2,572	30,238
	1991-92	249	87,069	200	76,853	625,899	8,316	4,931	55,094
	1992-93	230	108,712	193	73,000	467,456	7,804	4,714	58,740
England:	1989-90	1,547	244,697	1,144	127,159	1,481,918	24,475	6,073	100,730
	1990-91	1,229	166,472	822	88,483	896,268	18,441	4,258	88,892
	1991-92	1,200	184,028	699	79,451	706,352	14,002	5,925	74,280
	1992-93	1,167	223,988	717	76,675	541,115	11,783	5,394	71,139

(1) Accepted in period shown; includes projects for which the application was received in an earlier year. Revisions to offers in the year of initial acceptance.

(2) Forecast employment figures are based on company forecasts for the project at the time of offer.

(3) Payments made in period shown; includes payment on projects for which offer was accepted in an earlier year.

TABLE 7 PROJECT GRANTS IN ENGLISH REGIONS
APPLICATIONS, OFFERS ACCEPTED AND PAYMENTS MADE 1989-90 TO 1992-93

Region	Financial year of application, acceptance of payment	Applications		Offers Accepted (1)				Payments (3) (£'000)	
		No.	Value (£'000)	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast (2) Employment		
							New		Safeguarded
East Midlands	1989-90	31	1,028	26	841	12,836	368	131	1,027
	1990-91	27	2,734	17	335	4,630	124	73	1,333
	1991-92	20	3,311	21	1,555	23,765	696	209	750
	1992-93	25	3,066	11	803	11,175	231	101	662
North East	1989-90	354	82,934	258	66,306	877,750	8,338	661	32,244
	1990-91	266	51,948	152	19,403	160,928	3,924	588	27,645
	1991-92	221	47,753	160	17,107	115,931	3,474	902	26,934
	1992-93	236	51,342	149	25,367	146,131	3,605	624	27,324
North West	1989-90	416	63,382	300	17,372	150,694	3,703	1,540	31,468
	1990-91	354	47,588	259	27,551	273,623	4,596	1,547	26,845
	1991-92	463	68,117	235	25,235	182,848	3,529	3,219	23,562
	1992-93	405	102,474	260	26,038	160,445	3,081	2,514	18,937
South West	1989-90	121	16,232	74	11,398	87,357	2,161	263	4,583
	1990-91	109	12,840	55	5,464	56,140	1,170	44	4,445
	1991-92	115	8,063	71	4,916	24,186	985	119	5,474
	1992-93	95	9,029	64	6,377	31,061	1,061	285	5,136
West Midlands	1989-90	414	32,258	351	17,770	183,245	6,479	1,789	20,146
	1990-91	307	26,587	243	14,340	181,123	4,359	1,381	17,512
	1991-92	228	20,261	133	12,626	139,910	3,145	1,077	8,721
	1992-93	228	36,236	116	7,177	90,764	1,704	854	10,671
Yorkshire and Humberside	1989-90	211	48,863	135	13,472	170,036	3,426	1,689	11,262
	1990-91	166	24,775	96	21,390	219,824	4,268	625	11,112
	1991-92	153	36,523	79	18,012	219,712	2,173	399	8,839
	1992-93	178	21,841	117	10,913	101,539	2,101	1,016	8,409

(1) Accepted in period shown; includes projects for which the application was received in an earlier year. Revisions to offers in the year of initial acceptance.

(2) Forecast employment figures are based on company forecasts for the project at the time of offer.

(3) Payments made in period shown; includes payment on projects for which offer was accepted in an earlier year.

TABLE 8 CLOSED SCHEMES
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1982 (1) TO 31 MARCH 1993

Country/Region	No.	Old Criteria Grants (2)		OSIS Grants (3)		Training Grants (4)		No.	Value (£'000)	Value (£'000)
		Value (£'000)	Payments (£'000)	Cumulative Offers	Payments	Cumulative Offers	Payments			
Great Britain	9	4,794	50,230	382	38,952	33,152	142	54,759	50,033	
Scotland	1	36	18,705	56	10,110	6,172	46	36,365	30,011	
Wales	0	0	5,074	109	9,521	7,298	12	3,005	4,887	
England	8	4,758	26,451	217	19,321	19,682	84	15,389	15,135	
East Midlands	0	0	256	22	6,673	7,251	6	492	595	
North East	3	3,540	9,234	60	6,206	4,361	46	5,414	5,338	
North West	1	540	13,091	69	3,379	4,478	14	2,058	1,648	
South West	3	78	1,055	22	1,016	669	3	1,827	1,179	
West Midlands (5)	1	600	659	0	0	0	7	3,674	3,395	
Yorkshire and Humberside	0	0	2,156	44	2,047	2,923	8	1,924	2,980	

(1) Information prior to 1982-83 can be obtained from earlier Annual Reports of the Industrial Development Act.

(2) Include Interest Relief and Removal Grants. Closed to new applications from July 1979.

(3) OSIS = Office and Service Industries Scheme. Closed to new applications from November 1984.

(4) Closed to new applications from December 1988.

(5) Granted Assisted Area status in November 1984.

TABLE 9 PAYMENTS MADE BY FINANCIAL YEAR FROM 1982-83(1) FOR GREAT BRITAIN

£'000

<i>Financial Year</i>	<i>Project Grants</i>	<i>Old Criteria Grants (2)</i>	<i>Training Grants</i>	<i>OSIS Grants (3)</i>	<i>Total</i>
1982-83 (4)	62,092	26,194	955	5,421	94,662
1983-84	71,592	8,828	3,951	8,533	92,904
1984-85	87,929	3,761	7,936	7,493	107,119
1985-86	101,009	4,265	15,735	4,777	125,786
1986-87	116,262	2,048	8,312	2,651	129,273
1987-88	141,787	1,629	6,325	2,873	152,614
1988-89	176,167	3,505	2,088	1,268	183,028
1989-90	173,476	—	3,000	136	176,612
1990-91	185,945	—	1,555	—	187,500
1991-92	192,934	—	96	—	193,030
1992-93	189,049	—	80	—	189,129

(1) Information prior to 1982-83 can be obtained from earlier Annual Reports of the Industrial Development Act.

(2) Include Interest Relief and Removal Grants.

(3) OSIS = Office and Service Industries Scheme.

(4) Total includes £12,000 in loans payable under Section 7 of the Act.

Exchange Risk Guarantee Scheme for Loans from the European Coal and Steel Community

The Exchange Risk Guarantee Scheme was introduced in January 1978 and was originally designed to encourage private firms in Assisted Areas and Northern Ireland to take advantage of the attractive foreign currency loans available from the European Investment Bank and the European Coal and Steel Community (ECSC). From 1985 onwards, exchange risk cover was restricted to ECSC loans only, up to a maximum of £500,000 per project. It is open to borrowers to take larger loans either making up the difference in sterling or taking foreign currencies at their own exchange risk.

European Coal and Steel Community (ECSC)

ECSC loans are available under Article 56 of the Treaty of Paris for projects in most sectors of industry which provide new employment opportunities in coal or steel closure areas designated by the European Commission. Up to £500,000 of each loan is eligible for exchange risk cover. The loans are medium-term (generally eight

years) and are normally made in foreign currencies at a fixed rate of interest. Depending on the number of new jobs created, an interest rebate worth up to 3 per cent per annum may be paid over the first five years of the loan.

Size of Loans

The ECSC will lend up to 50 per cent of the fixed capital cost of qualifying projects.

Loans down to a minimum of £10,000 are available through 3i, most major clearing banks and the Welsh Development Agency which have global loan agreements with the ECSC. Loans involving sums of more than 7.5 million ECU are negotiated directly with the ECSC.

Progress of the Scheme

In 1992-93 no new funds were provided for use by ECSC agents.

APPENDIX 9

Financial Assistance under Section 13 of the Industrial Development Act 1982

TABLE IMPROVEMENT OF BASIC SERVICES IN THE AREA FOR EXPANSION

Department	Service	Applications				Applications Approved			
		Brought Forward from 1991-92	Received in 1992-93	Rejected	Withdrawn	Under Consideration	Number	Estimated Cost (a) (£'000)	Estimated Grant (a) (£'000)
Department of the Environment	Sewerage	46	14	nil	nil	48	12	5,911	904
	Water	21	4	nil	nil	20	5	791	226
Department of Transport	Roads	20	25	5	3	15	22	10,666	2,114
Scottish Office	Roads	32	44	2	nil	10	64	15,851	3,091
Industry Department	Sewerage	10	2	1	nil	9	2	159	48
	Water supply	4	1	nil	nil	4	1	11	3
Environment Department	Roads	17	12	3	1	19	6	14,225	1,342
	Water	21	6	2	nil	22	3	52	9
	Sewerage	9	1	nil	nil	10	nil	nil	nil
Welsh Office	Gas/electricity	nil	nil	nil	nil	nil	nil	nil	nil
Department of Energy									
Total		180	109	13	4	157	115	47,666	7,737

(a) These figures represent the position at 31 March 1993 for those applications approved during the year.

APPENDIX 10

Assistance under Section 14 of the Industrial Development Act 1982 and the English Industrial Estates Corporation Act 1981

TABLE 1 STOCK OF PREMISES MANAGED BY ENGLISH ESTATES AS AT 31.3.93 (a)

Region	Status of area (b)	Leaseable Stock							
		Total		Occupied		Vacant		Under Construction	
		units	area sq. mtrs	units	area sq. mtrs	units	area sq. mtrs	units	area sq. mtrs
North East	AA	1,875	685,544	1,311	537,735	564	147,809	28	8,187
	NAA	141	22,747	93	16,781	48	5,966	Nil	Nil
North West	AA	1,593	282,920	1,177	200,103	416	82,817	10	8,815
	NAA	278	87,649	207	72,024	71	15,625	66	6,654
Yorkshire and Humberside	AA	625	143,678	386	95,478	239	48,200	30	6,001
	NAA	242	35,508	171	25,396	71	10,112	Nil	Nil
East Midlands	AA	39	8,283	29	7,162	10	1,121	10	921
	NAA	320	42,531	198	27,926	122	14,605	6	558
West Midlands	AA	41	6,749	34	5,897	7	852	Nil	Nil
	NAA	133	19,002	85	12,094	48	6,908	Nil	Nil
South West	AA	442	71,955	288	48,415	154	23,540	Nil	Nil
	NAA	330	39,091	218	26,862	112	12,229	5	460
South East	AA	374	41,282	229	26,443	145	14,839	Nil	Nil
	Total	6,433	1,486,939	4,426	1,102,316	2,007	384,623	155	31,596

(a) RDC premises included

(b) AA—Assisted Area: NAA Non—Assisted Area

TABLE 2 EMPLOYMENT IN OCCUPIED ENGLISH ESTATES PREMISES (a) POSITION AT YEAR ENDING 31 MARCH 1993

Region	1992	1993
North East	28,589	22,038
North West	12,848	11,383
Yorkshire and Humberside	5,376	4,004
East Midlands	1,041	729
West Midlands	1,405	673
South West	4,284	3,340
South East	1,574	1,190
Total	55,117	43,357

(a) RDC premises included

Footnote: Estimated cumulative total employment since 1936 in premises sold by English Estates or privately built on English Estates land: 129,488 (as at 31.3.93)

TABLE 3 ENGLISH ESTATES: PREMISES (a)

Region	Status of area (b)	Occupied during 1992-93		Vacated during 1992-93		Reserved Vacant at 31.3.93		Available for Letting at 31.3.93 Vacant minus Res. Vacant		Vacancy rate
		units	area sq. mtrs	units	area sq. mtrs	units	area sq. mtrs	units	area sq. mtrs	% area of leasable stock
North East	AA	345	47,044	389	69,859	78	26,366	486	121,443	17.7
	NAA	31	4,240	32	4,441	8	781	40	5,185	22.8
North West	AA	286	55,753	276	39,665	68	14,508	348	68,309	24.1
	NAA	91	9,903	68	6,606	1	93	70	15,532	17.7
Yorkshire and Humberside	AA	133	30,458	172	21,440	11	1,420	228	46,780	32.6
	NAA	35	3,645	53	8,568	1	70	70	10,042	28.3
East Midlands	AA	6	1,476	6	1,128	1	98	9	1,023	12.4
	NAA	98	8,942	93	10,601	1	372	121	14,233	33.5
West Midlands	AA	8	783	3	333	0	0	7	852	12.6
	NAA	17	1,856	42	5,183	0	0	48	6,908	36.4
South West	AA	105	12,997	142	15,501	11	1,910	143	21,630	30.1
	NAA	44	3,596	81	8,071	21	2,143	91	10,086	25.8
South East	NAA	122	11,195	92	8,546	0	0	145	14,839	35.9
Total		1,321	191,888	1,449	199,942	201	47,761	1,806	336,862	22.7

(a) RDC premises included

(b) AA—Assisted Area; NAA—Non-Assisted Area

TABLE 4 PREMISES BUILDING COMPLETED DURING 1992-93

Region	Status of Area (a)	Department of Trade and Industry		Rural Development Commission		Extensions and Custom Built		Total	
		units	area sq. mtrs	units	area sq. mtrs	units	area sq. mtrs	units	area sq. mtrs
North East	AA	95	17,475	14	1,345	Nil	Nil	109	18,820
	NAA	Nil	Nil	10	883	Nil	Nil	10	883
North West	AA	39	11,864	Nil	Nil	Nil	Nil	39	11,864
	NAA	Nil	Nil	9	1,675	Nil	Nil	9	1,675
Yorkshire and Humberside	AA	14	3,572	8	511	Nil	Nil	22	4,083
	NAA	Nil	Nil	6	558	Nil	Nil	6	558
East Midlands	AA	Nil	Nil	6	633	Nil	Nil	6	633
	NAA	Nil	Nil	33	2,788	Nil	Nil	33	2,788
West Midlands	AA	Nil	Nil	Nil	Nil	Nil	Nil	0	0
	NAA	Nil	Nil	Nil	Nil	Nil	Nil	0	0
South West	AA	6	2,544	Nil	Nil	Nil	Nil	6	2,544
	NAA	Nil	Nil	11	977	Nil	Nil	11	977
South East	NAA	Nil	Nil	Nil	Nil	Nil	Nil	0	0
Total		154	35,455	97	9,370	0	0	251	44,835

(a) AA—Assisted Area; NAA—Non-Assisted Area

TABLE 5 RENT FREE PERIODS GRANTED BY ENGLISH ESTATES DURING 1992-93

<i>Region</i>	<i>Number</i>	<i>Value</i>
North East	4	£32,407
North West	2	£2,500
Yorkshire and Humberside	1	£57,095
East Midlands	Nil	Nil
West Midlands	Nil	Nil
South West	Nil	Nil
South East	Nil	Nil
Total	7	£92,002

TABLE 6 ENGLISH ESTATES EXPENDITURE AND RECEIPTS IN RESPECT OF DTI LAND AND BUILDINGS 1992-93

	<i>£'000</i>
<i>Expenditure (a)</i>	
Land acquisition	5,279
Cost of works and modernisation of premises	<u>49,070</u>
	54,349
<i>Receipts</i>	
Net rents	1,362
Cash sales of land and buildings	40,962
Capital instalments of credit sales of land and buildings	130
Interest in respect of credit sales	50
Other capital receipts	3,998
Grand-in-Aid	6,000
Reduction in Retained Funds	<u>1,847</u>
	54,349

(a) Includes £23.1m capital expenditure at Chatham and £6.2m on Cumbria Special Programme.

TABLE 7 ANALYSIS OF 1992-93 DTI CAPITAL EXPENDITURE

<i>Region</i>	<i>Expenditure (£'000s)</i>
North East	10,500
Cumbria	6,985
North West	9,052
South West	2,287
Yorkshire and Humberside	2,431
West Midlands	0
East Midlands	0
South East	23,094
Total	54,349

APPENDIX 11

Assistance under Section 1 of the Derelict Land Act 1982

RECLAMATION OF DERELICT LAND IN ASSISTED AREAS AND DERELICT LAND CLEARANCE AREAS: DERELICT LAND GRANT (a)

<i>Brought forward from 1991-92</i>	<i>1992-93</i>		<i>Applications</i>			<i>Applications approved (b)</i>			<i>Applications outstanding at 31 March (d)</i>
	<i>Received</i>	<i>Refused</i>		<i>Number withdrawn</i>	<i>Number</i>	<i>Area (Hectares)</i>	<i>Estimated cost (£'000)</i>	<i>Grant payable (£'000)</i>	
		<i>Number</i>	<i>Area (c) (Hectares)</i>						
111	792	35	885	39	717	2,892.48	42,986	29,020	80

(a) These figures relate to DLG reclamation schemes in England which are the administrative responsibility of the Department of the Environment in Scotland and Wales responsibility for land reclamation lies with the respective Development Agencies.

(b) Includes DLG reclamation schemes that have received either pre-tender or final approval (except final approval only for schemes in North West).

(c) Where known.

(d) Includes schemes where grant approval has been given in principle.

Appendix 12

Assistance under Section 8 of the Industrial Development Act 1982 (a)

TABLE SUMMARY OF APPLICATIONS AND OFFERS TO 31 MARCH 1993

	Date of Introduction	Closing date for applications	Applications			Number	Offers		Payments (£'000)	
			Received	Rejected or withdrawn	Under consideration at 31.3.93		Project costs (£'000)	Assistance offered (£'000)	Cumulative	Year to 31.3.93
<i>Schemes open for applications 31.3.93</i>										
Regional Enterprise Grants	11.4.88	Not applicable	13,220	N/A	N/A	7,994	N/A	76,403	43,145	9,665
Total			13,220	N/A	N/A	7,994	N/A	76,403	43,145	9,665
<i>Schemes closed for applications at 31.3.93 with transactions outstanding</i>										
General										
Certification Schemes	April '83	16.12.91	96	37	9	50	10,864	2,970	2,660	121
Assistance for Exceptional Projects (d)	12.1.88	28.2.93	56	49	5	2	47,500	5,000	4,930	650
Total			152	86	14	52	58,364	7,970	7,590	771
<i>Schemes closed for applications at 31.3.93 with no transactions outstanding</i>										
General										
Accelerated Projects	15.4.75	31.7.76	297	186	nil	111	586,107	70,659	69,829	nil
Selective Investment Scheme	15.12.76	30.6.79	766	590	nil	176	1,055,834	108,372	98,174	nil
Support for Major Projects	17.7.79	18.3.89	471	285	nil	186	688,675	69,469	53,532	nil
Other										
Wool Textile Stage 1	19.7.73	31.12.75	331	26	nil	305	74,810	16,977	16,183	nil
Wool Textile Stage 2	29.11.76	31.12.77	72	5	nil	67	30,494	7,457	6,208	nil
Ferrous Foundry	5.8.75	31.12.76	514	164	nil	350	284,457	68,242	47,916	nil
Machine Tool	5.8.75	31.12.77	438	126	nil	312	168,154	32,324	22,899	nil
Clothing	15.10.75	31.12.77	1,114	197	nil	917	93,450	20,383	13,884	nil
Paper and Board	15.6.76	30.6.78	149	52	nil	97	86,986	19,388	18,725	nil
Non-Ferrous Foundry	24.1.77	31.1.78	347	98	nil	249	101,234	22,035	11,826	nil
Electronics Components	24.1.77	31.12.78	149	64	nil	85	59,200	15,603	12,100	nil
Instrumentation and Automation	1.11.77	30.4.79	229	70	nil	159	50,120	8,424	6,844	nil
Drop Forging	8.11.77	30.6.79	124	33	nil	91	24,381	6,128	4,044	nil
Footwear	18.4.78	31.3.80	572	92	nil	480	29,227	4,896	3,374	nil
Printing Machinery	13.8.76	31.12.77	75	17	nil	58	73,256	14,317	8,795	nil
Textile Machinery	13.8.76	31.12.77	81	27	nil	54	66,660	12,859	6,270	nil
Poultrymeat Processing	4.8.76	31.3.77	124	45	nil	79	42,986	8,059	7,319	nil
Redmeat Slaughterhouse	9.11.76	30.11.80	498	126	nil	372	116,156	16,152	12,980	nil
Steel Casting	14.12.81	Not applicable	4	1	nil	3	20,204	7,156	7,156	nil
Private Sector Steel	14.12.81	7.3.84	255	49	nil	206	124,852	35,765	32,247	nil
Energy Conservation	13.6.78	30.6.80	5,512	1,265	nil	4,427	102,181	26,459	25,135	nil
Small Engineering Firms Investment Scheme (1)	30.3.82	28.5.82	1,882	436	nil	1,446	96,441	32,147	25,990	nil
Small Engineering Firms Investment Scheme (2)	31.3.83	30.9.83	6,415	1,524	nil	4,891	232,314	72,917	48,224	nil
Computer Aided Design and Test Equipment	1.8.82	12.3.84	1,334	254	nil	1,080	101,794	25,971	21,828	nil
Innovation-Linked Investment Scheme	1.6.83	22.5.84	139	71	nil	68	11,985	2,239	1,426	nil
Quality Assurance	20.6.83	19.12.86	693	181	nil	546	18,909	4,257	3,053	nil
Microelectronics Industry Support Programme 1	26.7.78	12.1.88	204	38	nil	166	276,430	59,047	53,293	nil
Investment Support for Microelectronics	19.3.84	12.1.88	184	74	nil	150	144,635	41,696	25,934	nil
Fibre Optics	27.1.81	12.1.88	35	9	nil	26	41,379	5,965	4,402	nil
Advanced Manufacturing Technology (bc)	8.6.82	30.6.86	612	271	nil	341	267,304	59,319	44,767	nil
Coal Firing Scheme	22.5.81	30.6.87	911	481	nil	430	274,369	50,319	48,311	1,081
Total			24,531	6,857	nil	17,928	5,344,964	945,001	762,668	1,081
Total (all Schemes)			37,903	6,943	14	25,974	5,403,328	1,029,374	813,403	11,517

(a) Does not include Small Firms Loan Guarantee Scheme, Energy Management Assistance Scheme, Financial Management Advisory Experiment, European Regional Development Fund Special Measures, the Offshore Supplies Interest Relief Scheme, cases assisted by General Powers under Section 8.

(b) Formerly Flexible Manufacturing Systems Scheme and Robot Support Programme.

(c) Does not include consultancy studies.

(d) Scheme suspended from 1.3.93.

Small Firms Loan Guarantee Scheme

TABLE 1: GUARANTEES ISSUED FROM INCEPTION IN JUNE 1981 TO 31 MARCH 1993 BY REGION

<i>Region</i>	<i>Number</i>	<i>Value (£m)</i>
Scotland	2,093	68.14
Wales	1,738	48.17
North East	1,691	46.53
Yorkshire & Humberside	2,539	69.14
East Midlands & Eastern	2,364	69.47
London & South East	12,256	408.91
South West	3,627	98.69
West Midlands	2,689	77.82
North West	3,950	110.83
Northern Ireland	358	13.3
Total	33,305	1,011.00

TABLE 2: GUARANTEES ISSUED FROM 1 APRIL 1989 TO 31 MARCH 1993 BY REGION

<i>Region</i>	<i>Number</i>	<i>Value (£m)</i>
Scotland	540	20.73
Wales	686	15.48
North East	677	15.59
Yorkshire & Humberside	846	19.68
East Midlands & Eastern	993	23.46
London & South East	4,331	123.58
South West	1,611	35.93
West Midlands	871	20.52
North West	1,236	27.7
Northern Ireland	75	3.21
Total	11,866	305.88

Assistance for Exceptional Projects

Successful applications for assistance under this scheme involve a major innovation and/or the introduction into the United Kingdom of an enabling technology or a major new or radically improved product or process leading to substantial wider benefits. Examples of such benefits include:

improvements in the performance of other United Kingdom companies, such as customers or suppliers to the applicant, and/or a substantial long-term impact on United Kingdom capability in a significant activity.

The project may be anywhere in the United Kingdom and should normally cost at least £500,000. In addition, the applicant must prove that:

The project is commercially viable; and

Despite its exceptional merits, the project will not go ahead as planned without assistance.

Assistance is provided on a selective basis, normally as a grant. The amount is negotiated as the minimum necessary for the project to succeed, and will not normally exceed 25 per cent of project costs.

Assistance for Exceptional Projects is jointly funded under Section 8 of the Industrial Development Act 1982 and Section 5 of the Science and Technology Act 1965.

The scheme was suspended with effect from 1 March 1993 and applications will not be accepted in 1993-94.

TABLE APPLICATIONS AND OFFERS TO 31 MARCH 1993

Region	Applications						Offers			
	Received		Rejected or withdrawn		Under Consideration		Number	Project costs (£'000)	Assistance offered (£'000)	Payments (£'000)
	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)				
Scotland	9	254,308	7	22,308	2	232,000	nil	nil	nil	nil
Wales	3	81,500	1	34,000	nil	nil	2	47,500	5,000	4,930
North East	1	40,000	1	40,000	nil	nil	nil	nil	nil	nil
Yorkshire and Humberside	8	487,600	8	487,600	nil	nil	nil	nil	nil	nil
East Midlands	2	56,050	2	56,050	nil	nil	nil	nil	nil	nil
South East	15	696,615	12	417,865	3	278,750	nil	nil	nil	nil
South West	3	20,867	3	20,867	nil	nil	nil	nil	nil	nil
West Midlands	6	62,295	6	62,295	nil	nil	nil	nil	nil	nil
North West	9	77,875	9	77,875	nil	nil	nil	nil	nil	nil
Total	56	1,777,110	49	1,218,860	5	510,750	2	47,500	5,000	4,930
of which in year ended 31.3.93	12	296,965	8	51,215	4	245,750	nil	nil	nil	0,650

Assistance for the Development of Certification Schemes

Certification is the recognition, after careful assessment by an independent body, that the quality management system of a firm is organised in line with modern practice, ie based on BS 5750 or equivalent. Certification gives greater confidence in the integrity of a product or service, saves inspection, failure and warranty costs, increases industrial efficiency and helps to raise the

overall quality of the marketed product.

The term 'certification' is used to cover not only certification of supplier quality management systems but also certification of personnel involved in quality verification and certification that products conform to agreed specifications.

Assistance to the Shipbuilding Industry

Home Credit Scheme for Shipbuilding

In the year to 31 March 1993 payments of interest grant totalled £20.9 million. These were made to the banks under the authority of the Industry Act 1975 (Section 25).

STATEMENTS OF GUARANTEES FOR THE YEAR ENDED 31 MARCH 1993

	<i>Number of Guarantees</i>	<i>Amount of Principal Guaranteed (£'000)</i>
Guarantees current on 1 April 1992 (a)	335	897,645
Guarantees given in year 1992-93	15	155,387
Repayments in year 1992-93 (b)	21	303,875
Guarantees current on 31 March 1993 (a)	329	749,157

(a) Figures are inclusive of guarantees but not yet accepted. In previous years the number of guarantees included only those completed.

(b) The number of guarantees equals the number of loans finally repaid during the year. The amount of principal represents the sum of all repayments made during the year including those on loans finally repaid.

The Enterprise Initiative: Consultancy Help

The aim of the consultancy Help Scheme under the Enterprise Initiative is to improve management performance and competitiveness in small and medium-sized enterprises by offering subsidised consultancy to encourage the use of outside expertise as a regular part of the management strategy.

The management functions covered by the Scheme include:

- business planning (to assist firms to define objectives and identify the resources and skills needed to meet them)
- design (as an integral part of business strategy, including product development and presentation)
- financial and management information systems (covering all areas of financial and management data and accounting as a basis for decision making and control)
- manufacturing and services systems (to assist firms to review and adopt a flexible approach to production operations, and to bring forward the use of new technologies)
- marketing (to help firms develop a overall marketing strategy and set up a marketing action plan, in home and/or export markets)
- quality (covering the introduction of new or more appropriate quality management systems and advice on how to meet BS 5750 and related standards)

Eligibility

Consultancy Help is available to most British-based firms and members of groups with fewer than 500 employees worldwide, with a few exceptions (eg those engaged in agriculture, charities or franchise operations). Each firm or member of a group may receive support for one project in one of the key management areas of between five and 15 consultant days. DTI contributes one third of the cost (one half in Assisted and Urban Programme Areas).

Procedure

Applicants receive an initial, free Business Review lasting up to two days, carried out by an Enterprise Counsellor (an experienced business person retained by DTI) to assess the needs of the firm and its ability to benefit from an assisted consultancy. The Enterprise Counsellor also provides signposting to other forms of public and private sector assistance where appropriate and takes the opportunity to ensure that the firm is aware of the implications of the Single

Market and other issues affecting firms' competitiveness, such as technology, purchasing and the environment.

If the Counsellor recommends an assisted consultancy, the case is referred to one of the Department's independent Scheme Contractors who will match an appropriate consultant to the needs of the firm and oversee and monitor the quality of the project (including approval of terms of reference agreed between the firm and the consultant, and of the consultant's final report). Consultants are eligible to be listed for work under the scheme if they have either two years' experience of independent operation, and can demonstrate that they have the appropriate expertise and skills. Consultancy practices contribute to the costs of the administration and promotion of the scheme through the payment of application, listing and project fees.

The principal Scheme Contractors are:

- (a) Enterprise Support Ltd (for business planning and financial and management information systems)
- (b) Design Council (for design)
- (c) Pera International (for manufacturing and services systems and quality)
- (d) Chartered Institute of Marketing (for marketing)

Instalment projects—these five-day projects with standard Terms of Reference were introduced for the benefits of smaller firms (normally fewer than 25 employees) who, in the opinion of the Enterprise Counsellor, are unsure about the benefits of consultancy and who have limited resources. Firms who undertake instalment projects have the option of extending their projects to the full 15 days.

Post Completion Visit

Six to 12 weeks after project completion the firm has the option of a further visit from the Enterprise Counsellor who will review the effectiveness of the project, check to see if the firm was satisfied with the consultant and discuss implementation of the consultant's recommendations.

Evaluation

Two independent evaluation studies have been undertaken, on behalf of the Department, by Segal Quince Wicksteed. The first consisted of a sample of 420 early projects and the results were published in June 1989.

The second evaluation (in two parts) included a further survey of the initial 420 firms to establish the commercial benefits they obtained from consultancy, and also a survey of 420 new firms to assess attitudes to consultancy of latter participants in the scheme. The results were published in February 1991.

TABLE 1 APPLICATIONS TO 31 MARCH 1993 (cumulative from January 1988)

Region	Applications Received	Applications Not Recommending Consultancy		Projects Approved	Projects Completed	Actual Spend (£'000)*
		Pre Business Review	At Business Review			
Scotland	7,813	408	822	5,860	4,086	17,688
Wales	6,467	352	1,187	4,467	2,933	12,570
North East	5,407	143	999	3,934	2,566	10,711
Yorks & Humberside	11,010	596	1,738	8,025	5,474	23,055
East Midlands	7,730	195	1,455	5,555	3,581	13,055
East	10,649	237	2,754	6,829	3,879	13,409
South East	33,307	1,612	6,265	22,163	12,544	45,227
South West	11,372	163	2,714	7,371	4,310	15,121
West Midlands	13,105	277	2,358	9,096	6,049	25,290
North West	16,860	578	2,189	12,788	8,539	31,289
Total	123,720	4,561	22,481	86,088	53,961	207,415

* Actual spend Consultancies—including Business Reviews

TABLE 2 PROJECTS APPROVED BY ASSISTED AREA AND URBAN PROGRAMME AREA TO 31 MARCH 1993 (cumulative from January 1988)

Region	Projects Approved	AA/UPA%
Scotland	5,860	80.5
Wales	4,467	91.3
North East	3,934	96.2
Yorks & Humberside	8,025	79.1
East Midlands	5,555	34.3
East	6,829	0.0
South East	22,163	19.4
South West	7,371	28.4
West Midlands	9,096	71.9
North West	12,788	67.4
Total	86,088	49.3

(a) Assisted Areas as defined November 1984 by the Department of Trade and Industry.

(b) For the purpose of the EI Consultancy scheme, Urban Programme Areas in England, Wales, Edinburgh and Aberdeen are defined as the local authority in which the Department of Environment UPA is located. All other Scottish UPAs are defined as the actual wards constituting the UPA.

TABLE 3 PROJECTS APPROVED BY INDUSTRIAL SECTOR TO 31 MARCH 1993 (cumulative from January 1988)

Region	Projects Approved	Production %	Services %
Scotland	5,860	45.9	54.1
Wales	4,467	56.3	43.7
North East	3,934	52.9	47.1
Yorks & Humberside	8,025	60.2	39.8
East Midlands	5,555	62.0	38.0
East	6,829	47.2	52.8
South East	22,163	36.0	64.0
South West	7,371	42.8	57.2
West Midlands	9,096	62.8	37.2
North West	12,788	53.8	46.2
Total	86,088	49.4	50.6

TABLE 4 PROJECTS APPROVED BY SIZE OF FIRM TO 31 MARCH 1993 (cumulative from January 1988)

Region	Projects Approved	Size of Firm (%)				
		<10	10-24	25-99	100-199	200-499
Scotland	5,860	32.9	28.4	28.5	6.5	3.7
Wales	4,467	39.1	29.5	25.3	4.4	1.5
North East	3,934	37.1	29.6	25.5	5.0	2.0
Yorks & Humberside	8,025	33.3	30.4	28.1	5.7	2.5
East Midlands	5,555	30.0	29.8	30.4	6.4	3.0
East	6,829	36.9	29.6	26.6	4.8	1.9
South East	22,163	40.8	28.6	24.1	4.1	1.9
South West	7,371	43.0	27.9	23.7	3.8	1.7
West Midlands	9,096	31.9	30.8	29.4	5.4	2.2
North West	12,788	36.0	29.7	26.8	4.7	2.0
Total	86,088	36.8	29.4	26.4	4.9	2.2

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During the year, some changes were made to the membership of some of the Boards. The names below represent the position at 31 March 1993.

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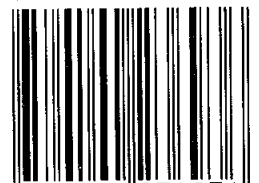
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