

Industrial Development Act 1982

Annual Report

by the Secretaries of State for Trade and Industry,
Scotland, Wales and Employment
for the year ended 31 March 1990

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

*Ordered by The House of Commons to be printed
25th July 1990*

LONDON: HMSO

Industrial Development Act 1982

Annual Report

by the Secretaries of State for Trade and Industry,
Scotland, Wales and Employment
for the year ended 31 March 1990

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

*Ordered by The House of Commons to be printed
25th July 1990*

LONDON: HMSO

Contents

Paragraphs

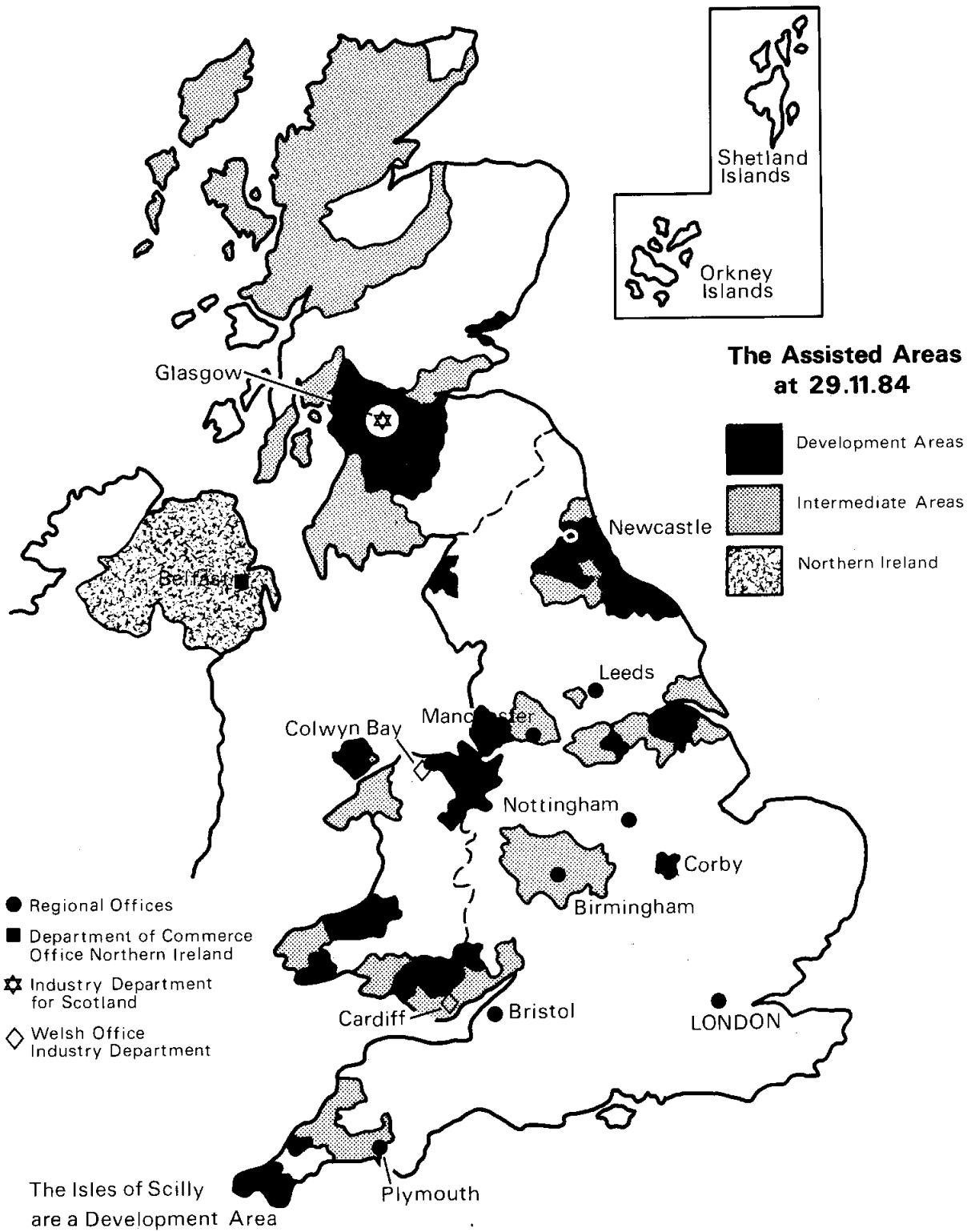
Joint Report by the Secretaries of State for Trade and Industry,
Scotland, Wales and Employment

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	12-13
European Regional Development Fund	14
European Regional Development Fund: Specific Measures	15-17
Regional Loans from the European Community	18-19
Assistance under Section 13 of the Industrial Development Act 1982 and Section 7 of the Local Employment Act 1972	20
Assistance under Section 14 of the Industrial Development Act 1982 and the English Industrial Estates Corporation Act 1981	21-24
Assistance under Section 1 of the Derelict Land Act 1982	25
National Investment Support under section 8 of the Industrial Development Act 1982	26-27
Measures open for Applications	28-33
Measures closed for Applications	34-46
Individual Applications	47-48
Special Assistance to Shipbuilding and Associated Industries	
Shipbuilding Intervention Fund	49-51
Assistance under Part III of the Industry Act 1972	52
Assistance under Section 11 of the Industrial Development Act 1982	
The Consultancy Initiatives	53-54
Small Firms Activities under Section 11 of the Industrial Development Act 1982	55
Small Firms Service Counselling Activities	56-61
Assistance to Local Enterprise Agencies	62-64
Management Education and Training	65
Other Matters and Developments in 1989-90	
Inward investment	66-68
Publication of Assistance offered	69-73

	<i>Page</i>
Industrial Development Advisory Boards and Industrial Development Boards	7
Commentaries by the Industrial Development Advisory Boards and Industrial Development Boards	
Industrial Development Advisory Board	7
Scottish Industrial Development Advisory Board	7
Welsh Industrial Development Advisory Board	9
North East Industrial Development Board	10
Yorkshire and Humberside and East Midlands Industrial Development Board	12
South West Industrial Development Board	15
West Midlands Industrial Development Board	16
North West Industrial Development Board	17
Index to Appendices	21

LIST OF ABBREVIATIONS

AEP	Assistance for Exceptional Projects
AMT	Support for Advanced Manufacturing Technology
BIS	Business Improvement Scheme
CAT	City Action Team
CFS	Coal Firing Scheme
CI	Consultancy Initiatives
DTI	Department of Trade and Industry
ECSC	European Coal and Steel Community
EIEC	English Industrial Estates Corporation
ERDF	European Regional Development Fund
ERGS	Exchange Risk Guarantee Scheme
FOS	Investment Support for Fibre Optics and Opto Electronics
HCSS	Home Credit Scheme for Shipbuilding
IDAB	Industrial Development Advisory Board
LEAGS	Local Enterprise Agency Grant Scheme
LEAPS	Local Enterprise Agency Project Scheme
MISP1	Microelectronics Industry Support Programme
MISP2	Investment Support for Microelectronics
NEIDB	North East Industrial Development Board
NWIDB	North West Industrial Development Board
QASS	Quality Assurance Support Scheme
RDC	Rural Development Commission
RDG	Regional Development Grant
REG	Regional Enterprise Grant
RENAVAL	European Regional Development Fund Community Programme for Shipbuilding Areas
RESIDER	European Regional Development Fund Community Programme for Steel Areas
RSA	Regional Selective Assistance
SFLGS	Small Firms Loan Guarantees Scheme
SIDAB	Scottish Industrial Development Advisory Board
SIF	Shipbuilding Intervention Fund
SIS	Selective Investment Scheme
SMP	Support for Major Projects
SWIDB	South West Industrial Development Board
WIDAB	Welsh Industrial Development Advisory Board
WMIDB	West Midlands Industrial Development Board
YH/EMIDB	Yorkshire and Humberside and East Midlands Industrial Development Board



Industrial Development Act 1982

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

Introduction

1. This Report, for the year ended 31 March 1990, describes the exercise of powers under the Industrial Development Act 1982 referred to in Section 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 1990.

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 a major element of support to industry in the Assisted Areas. Grant payments under the original scheme totalled £27.9 million in respect of England, £10.6 million in respect of Scotland and £2.8 million in respect of Wales. Under the revised scheme some 470 applications totalling £77.2 million of grant were approved, involving £790 million of forecast capital expenditure and the expected creation of 16,000 jobs. In the year payments totalling £162.6 million were made in respect of Great Britain: £86.9 million in respect of England, £48.8 million in respect of Scotland and £26.9 million in respect of Wales. Further details are at Appendix 4.

Regional Enterprise Grants

6. Regional Enterprise Grants (REGs) are available under Section 8 of the Act. The Scheme was introduced on 1 April 1988 for businesses employing fewer than 25 people in the Development Areas of Great Britain. On 1 September 1988, the Scheme was

extended to include the Intermediate Areas of South Yorkshire, as part of the European Regional Developments Fund's Community programme for steel areas (RESIDER). Other designated areas may become eligible for REG under RESIDER, or the parallel programme for shipbuilding areas (RENAVAL) in future.

7. The Scheme 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.

8. Assistance is available to both investment and innovation projects:-

Investment Grants

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 or second hand), buildings, purchase of land and site preparation and vehicles used solely on site.

Innovation Grants

A grant of 50 per cent of eligible costs up to a maximum grant of £25,000 may be given to projects which lead to the development and introduction of new products and 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 requires 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 only a local market (such as retailing) would not normally qualify for an investment grant although they may qualify for an innovation grant. Banks and insurance companies are not eligible, as prescribed by Section 8 of the Act. A business can receive only one investment and 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. The REG scheme is administered by the Department of Trade and Industry, the Industry Department for Scotland, and the Welsh Office Industry Department.

11. During the year, businesses in Great Britain submitted 3,210 applications. Offers of grant valued at £18.2 million were accepted in respect of 2,147 cases. Fuller statistical details are contained in the tables at Appendix 5.

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 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.

Summary of Selective Assistance Offers

13. During the year, offers of grant assistance under Section 7 that were accepted by industry totalled £265.2 million divided as follows:

	<i>£ million</i>	
England	Scotland	Wales
127.3	76.2	61.7

Further details are at Appendix 7.

European Regional Development Fund

14. The Government is able to claim a contribution from the European Regional Development Fund for certain expenditure on national Regional Assistance. During the year receipts from the Fund attributable to regional industrial assistance totalled £20.0 million for Great Britain.

European Regional Development Fund Specific Measures

15. The European Regional Development Fund (ERDF), The Department of Trade and Industry, and the Scottish and Welsh Offices jointly offered £62.4 million of grants through a series of ERDF Specific Measures in areas of the United Kingdom affected by job losses in the steel, shipbuilding, textile and clothing, and fisheries industries to help new businesses start up and existing small firms grow. The ERDF contribution is £43 million. Details of applications and offers are at Appendix 8.

16. In England and Wales Business Improvement Services provided support packages for small firms, while in Scotland there were Better Business Services and Better Technical Services. The Scheme closed for new applications at 31 December 1988. Payments in 1989-90 made under offers made up to 31 March 1989 were £11.4 million.

17. The Business Improvement Scheme also operated outside the context of the European

Regional Development Fund. In July 1986 it was introduced in Penzance and St Ives using Section 7 powers. A further extension to Thanet was made in March 1988 using Section 8 powers. The schemes are broadly comparable in scope with Business Improvement Services elsewhere but the rates of grant are lower. £1 million and £500,000 has been made available for Penzance and St Ives and Thanet respectively.

Regional Loans from the European Community

Exchange Risk Guarantee Scheme

18. The Exchange Risk Guarantee Scheme, operated under Sections 7 and 8 of the Act, encourages private industry in the UK to take advantage of foreign 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 the exchange risk in return for an annual premium on the outstanding value of the loan. The Scheme applies to loans for manufacturing industry, certain service sectors, and tourism.

19. At 31 March 1990 loans totalling £970 million attracting Exchange Risk Cover had been made and cumulative losses of £92 million incurred. Future liabilities under these arrangements cannot be quantified. Further details are at Appendix 9.

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

Improvement in Basic Services

20. During the year almost 100 applications were received for grants towards improvement of basic services in the Assisted Areas. At 31 March 1990 grants totalling more than £5 million had been approved towards 86 schemes costing some £26 million. Further details are at Appendix 10.

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

21. 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.

22. During 1989-90 the total development expenditure by EIEC on behalf of the DTI was £46.3 million. This expenditure was fully funded by receipts from rents and sale of property. During the year EIEC sold land and factory units at a value of £32.2 million. EIEC surrendered some £0.8 million surplus receipts to the Secretary of State.

23. On behalf of the Rural Development Commission (RDC), EIEC expenditure exceeded £10.5 million (in respect of 100 per cent schemes). During the year the RDC portfolio generated some £3.5 million net rents and £4.6 million capital receipts.

24. In total EIEC completed 319 factory units and extensions comprising some 116,000 square metres of floorspace. At 31 March 1990 a further 87,000 square metres were under construction. 1,450 units were occupied by tenants or purchasers. Further details are at Appendix 11.

Assistance under Section 1 of The Derelict Land Act 1982

25. During the year there were 489 applications for grant towards the acquisition, or clearance, of derelict land in England. At 31 March 1990, assistance totalling £28.7 million had been approved for 417 schemes involving 1,268 hectares. Further details are at Appendix 12.

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 1990 are set out in paragraphs 28-33 below. Information on measures that closed for application before 31 March 1989 is set out in paragraphs 34 to 46 below (on some of which payments were outstanding at 31 March 1990).

27. Some of the investment assisted under the measures described in paragraphs 37 and 40 received assistance under the Science and Technology Act 1965 to the extent that the investment was associated with innovation. Expenditure under the Science and Technology Act is covered in a separate report.

Details of all Section 8 Measures are at Appendix 13.

Measures open for application at 31 March 1990

Assistance for Exceptional Projects

28. 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 UK 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 1965. At 31 March 1990 two offers of assistance under Section 8 of the Industrial Development Act 1982 totalling £5 million had been made. No payments have been made. Further details are at Appendix 15.

Small Firms Loan Guarantee Scheme

29. This Scheme, which is administered by the Employment Department, offers guarantees on loans to potentially viable small businesses. Guarantees are available to eligible firms covering 70 per cent of bank loans up to a maximum of £100,000 with repayment over two to seven years. Since May 1986, the premium payable to the Department has been 2.5 per cent per annum on the outstanding guaranteed balance of loans.

30. In January 1988 simplified administration arrangements were introduced for loans up to £15,000 enabling major participating lenders to approve loan applications themselves without first referring to the Department, which has speeded up lending decisions. In order to encourage people to establish and expand businesses in inner city areas, from June 1988, the maximum guarantee was increased to 85 per cent for businesses based in, or wishing to be based in, the Inner City Task Force areas. From 1 April 1990, the premium payable to the Department on loans under these inner city arrangements decreased to two per cent.

31. From the commencement of the Scheme in 1981 to 31 March 1990 a cumulative total of 24,797 guarantees have been issued covering loans to a value of £811.89 million. At Appendix 16 there are two tables, one showing the guarantees issued since June 1981, and one showing those issued since April 1989, when the maximum loan amount was increased from £75,000 to £100,000.

Assistance for the Development of Certification Schemes

32. This measure of support is designed to encourage the development of third party certification systems 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 are available.

33. Three new certification bodies have been established during the year with support from this measure, and many of the existing bodies received assistance to extend the scope of their activities. At 31 March 1990, payments of grant totalling some £2.4 million had been made. Further details are at Appendix 21.

Measures closed for application before 31 March 1988 with payments outstanding

General Investment Support for Major Projects

35. General Investment Support for Major Projects closed for application on 12 January 1988. At 31 March 1990 assistance totalling £69.5 million had been offered towards 186 projects involving investment of £668.7 million. Payments of £1.4 million were made during the preceding 12 months to bring total payments to £52.9 million. Further details are at Appendix 14.

Selective Investment Scheme

36. One final payment was made in respect of a project assisted under this Scheme during the year bringing the total payments of assistance paid as at 31 March 1990 to £98.1 million. There will be no further payments under this scheme. Further details are at Appendix 23.

Microelectronics Industry Support Programme (MISP1)

37. This Scheme was designed to support the UK microelectronics industry, including the design and manufacture of silicon integrated circuits and the infrastructure companies which supply equipment, materials and services. Support was also provided for the development of other microelectronic and associated semiconductor devices. Assistance was provided under Section 8 and under the Science and Technology Act 1965. At 31 March 1990, assistance totalling £63.6 million had been offered, £59.1 million under Section 8 with payments totalling £53.3 million. Offers under the Science and Technology Act 1965 amounted to £4.5 million and of this £4.2 million had been paid. Further details are at Appendix 24.

Investment Support for Microelectronics (MISP2)

38. This programme of support was announced by the Secretary of State on 19 March 1984 to follow the Microelectronics Industry Support Programme 1 (see paragraph 37) and closed for applications on 12 January 1988. The programme sought to ensure that the electronic equipment industry had access to internationally competitive microelectronic devices and that the UK had a sound basis for maintaining that capability. Assistance was provided under Section 8.

39. At 31 March 1990 assistance totalling £41.7 million had been offered for 110 projects costing £274 million. Further details are at Appendix 18 (this includes assistance for Gallium Arsenide projects).

Investment Support for Fibre Optics and Opto-Electronics

40. This measure of support, which was closed for applications on 12 January 1988, provided assistance towards the design and development of optical fibres, opto-electronics, optical sensors, instruments and production processes. Assistance was given both under Section 8 and under the Science and Technology Act 1965. At 31 March 1990 assistance totalling £42 million had been offered; £6 million under Section 8 with payments totalling £4.4 million. Offers under the Science and Technology Act 1965 amounted to £36 million of which £27.6 million had been paid. Further details are at Appendix 19.

Support for Advanced Manufacturing Technology (AMT) Project Planning and Implementation

41. Support for AMT Planning and Implementation Consultancy Studies under Section 8 of the Act closed for applications on 31 March 1988. At 31 March 1990, assistance totalling £14.3 million had been offered towards 973 studies. Payments of £11.4 million had been made. Further details are at Appendix 17.

AMT Project Installation

42. Support for AMT Project Installation closed for applications on 30 June 1986. At 31 March 1990, assistance totalling £59.3 million had been offered for 341 projects totalling £267.1 million. Payments totalling £43 million have been made. Further details are at Appendix 17.

Coal Firing Scheme

43. This Scheme, originally known as the Coal Fired Boiler Scheme, opened for applications on 22 May 1981. It aimed to help the coal industry compete in industrial markets; and to reduce industrial energy costs and the UK's longer term dependence on oil and gas. Coverage was extended in March 1982 to include all industrial equipment which is oil and/or gas fired. Capital grants of up to 25 per cent of the costs of converting or replacing such equipment were available.

44. The Exchange Risk Guarantee Scheme (ERGS) was extended in November 1982 to cover loans from the European Coal and Steel Community (ECSC) or its agents, Investors in Industry, for approved projects involving conversion to coal firing equipment. The ERGS was discontinued on 31 December 1985.

45. The administration of the scheme has been the responsibility of the Secretary of State for Energy since 1 April 1984. The Scheme closed to new applications on 30 June 1987. As at 31 March 1990 assistance totalling £50.3 million had been offered and accepted by the companies on projects costing £274.3 million. As all applications have been

processed these figures will not be subject to future alterations. Payments totalled £47.1 million. Further details are at Appendix 22.

Quality Assurance Support Scheme

46. The Scheme was launched on 20 June 1983 and closed to applications on 19 December 1986. It was designed to help small firms to improve their quality assurance to the level required for third party assessment based on British Standard 5750 or its equivalent. The scheme closed to payments on 31 January 1990. On 31 March 1990, assistance totalling £4.3 million had been offered for 546 projects costing £18.9 million. Further details are at Appendix 20.

Individual Applications under Section 8

47. 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 using the general powers of Section 8, subject to Treasury and European Commission approvals. Assistance for a case reported last year continued in 1989-90.

48. This was to Carnon Holdings Ltd. The project aims to secure the continuation of tin mining and employment in Cornwall. In 1989-90 further loan payments totalling £3.128 million were made from the £10 million interest free loan offered in 1988. Cumulative payments under this loan stood at £7.951 million at 31 March 1990.

Special Assistance to Shipbuilding and Associated Industries

Shipbuilding Intervention Fund

49. On 22 December 1986, agreement was reached in the Industry Council on a new European Council Directive on State Aids to the Shipbuilding Industry. The Directive permits assistance, both direct and indirect, based on the monitored gap between the costs of the most efficient European shipbuilders and the prices quoted by the market leaders. The Directive came into effect on 1 January 1987 and has a life of four years. The ceiling is subject to annual review and for 1990 has been set at 20 per cent of building cost for ships costing more than six million European currency units and 14 per cent for ships whose costs are below this level. The Sixth Directive levels are permissive. It is for individual Member States to decide the amount of support they wish to make available.

50. On 15 February 1990, the Minister for Industry and Enterprise informed Parliament of a change in the administration of assistance for smaller ships. As the intensity of international competition generally diminishes as the size and cost

of ships fall, offers of assistance from the Intervention Fund for smaller ships will normally be limited within a sliding ceiling related to the cost of build. The normal maximum for ships costing £10 million to build will be 15 per cent. This will fall by half of one percentage point for each one million pound reduction in the cost of build below £10 million. Within the ceiling, offers will be negotiated as the minimum necessary to secure orders for UK yards, always provided the rules of the Sixth Directive on aid to shipbuilding are met.

51. During the year, grants of £37.7 million were offered to secure orders for 28 ships totalling 86,850 tonnes. Total grants offered from the inception of the fund in February 1977 to 31 March 1990 amounted to £443 million covering orders for 334 ships with an aggregate tonnage of 2.49 million.

Assistance under Part III of the Industry Act 1972

The Home Credit Scheme

52. 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 1989-90. During the year, five loans were repaid early under this Scheme attracting discount totalling £0.439 million. At 31 March 1990 the total amount of principal guaranteed was £840 million. Further details are at Appendix 25.

Assistance under Section 11 of the Industrial Development Act 1982

The Consultancy Initiatives

53. The Consultancy Initiatives are a major element of the Government's Enterprise Initiative launched on 13 January 1988. Their objective is to improve the competitiveness of small and medium sized enterprises by improving management performance through subsidised consultancy projects in key functions (Business Planning, Design, Financial and Information Systems, Manufacturing Systems, Marketing and Quality).

54. The 1990 DTI Public Expenditure White Paper makes provision for 1,250 supported consultancies per month. To March 1990, 48,000 applications have been received and 34,000 projects approved for consultancy. Further details are given in Tables 1 to 4 of Appendix 28.

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

55. 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 the services described in paragraphs 56 to 65 are administered by the Department of Employment;

similar services are, however, provided in Scotland and Wales under the powers in the relevant Development Agency Acts.

Small Firms Service Counselling Activities

56. The Service became part of the Training Agency on 1 April 1989 and its counselling activity will in the longer term become the responsibility of local Training and Enterprise Councils, which will be coming into operation over the next couple of years. These changes will bring together training, counselling and advisory services and enable small business support services to be more closely related to local needs.

57. Previous reports explain the background to the counselling facility. During the year the number of clients coming forward for counselling was 36,706 compared with 30,634 in 1988-89. The total number of counselling sessions for new and existing clients increased from 43,029 in 1988-89 to 50,609.

58. Each client's first three counselling sessions were free of charge; if further counselling was required each additional session was charged at £30 (including VAT). During the year a proportion of the Service's resources was actively targeted at established businesses, to make such firms better aware of the skills and expertise that the service can offer.

59. Small Firms Service counsellors are employed on a yearly basis. At 31 March 1990, 370 counsellors were under contract to the Employment Department, compared with 336 at 31 March 1989.

60. Counsellors are paid a fee of £50 per day for their services, plus travelling expenses. The counselling Advisers, who coordinate each regional team, are paid £81 a day. Counselling coordinators who draw together the advisory work in sub-regions are paid £66 per day.

61. The overall budget of the Small Firms Service for the year 1989-90 was slightly under £8 million. This covered the counselling service described above and also a comprehensive enquiry service which handled 317,529 enquiries from small businesses during the year.

Assistance to Local Enterprise Agencies

62. The Local Enterprise Agency Grant Scheme (LEAGS) is a pump priming scheme designed to encourage, over a five year period, development of a network of viable agencies. Funding is directed towards those Agencies which show potential long-term viability. £1,455,000 was allocated to the scheme for the financial year 1989-90; details of payment made are at Appendix 26.

63. In recognition of the need to strengthen enterprise agencies in the Inner cities, provision was made within a £600,000 fund for grants to be paid for agency projects which involved advising Inner City residents on self-employment and running a small business. This grant scheme is expected to run until March 1991. Details of payments made to advice related projects are at Appendix 26.

64. Financial support was again given to Business in the Community (BitC) to assist with the costs of local enterprise agency personnel attending courses, run mainly by the Durham University Business School and the Industrial Society, and with the costs of publicity and promotion literature. £184,000 was allocated for these purposes during 1989-90.

Management Education and Training

65. During the year the Department of Employment paid grants totalling £89,103.11 to six separate projects which were aimed at providing advice and support to small businesses through the development of new or different forms of management training. Further details are at Appendix 27.

Other Matters and Developments in 1989-90

Inward Investment

66. 1989-90 was another very full year for the promotional activities of the Invest in Britain Bureau. In the year ending March 1990 they included 56 separate events (six inward missions, and 50 seminars/presentations). The seminars included an extensive programme in the USA presenting the implications of 1992 and the Single Market to US industry and therefore why they should invest in the UK.

67. It is not possible to provide a comprehensive figure for the amount of foreign investment made in the UK in 1989-90, since not all such investment is notified to the Department, particularly when it takes place outside the Assisted Area or involves expansion on an existing site. However, over this period the Invest in Britain Bureau has recorded a total of 335 decisions to invest or expand investment in the UK creating in the long term 32,124 jobs and safeguarding 35,342 others.

68. 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 1990 offers of £148.7 million were made under Section 7 to such companies for 102 projects estimated to cost £1,191.4 million. These projects are expected by applicants to create 15,478 jobs and safeguard 2,776 others.

Publication of Assistance Offered

69. In accordance with long-standing arrangements, details of offers of Regional Selective

Assistance against which first payments were made during the period April to June 1989 were published in *British Business* dated 1 September 1989, and related to offers of grants of £5,000 or more.

70. Following the closure of *British Business* in September 1989, details of offers of Regional Selective Assistance grants of £75,000 or more have been published in *Employment Gazette* in January 1990 and April 1990.

71. Details of payments of Regional Development Grants above certain thresholds (under the original scheme individual payments which exceed £25,000 and under the revised scheme payments to individual undertakings in a Travel-to-Work Area which cumulatively exceed £25,000 in any one quarter) were published in *British Business* dated 25 August 1989 for the period April to June 1989.

72. As with RSA, following the closure of *British Business* details of payments of Regional Development Grants have been published in *Employment Gazette*. These now relate to payments of over £25,000 (original scheme) and over £100,000 (revised scheme) and were published in the February 1990 and May 1990 issues of the journal.

73. Details of offers of Section 8 assistance of £5,000 or more were published in *British Business* on 21 July and 29 September 1989. Following the closure of *British Business* details of assistance will in future appear in this report.

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 29. Commentaries by each of the Boards follows.

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. Seven meetings were held to discuss twelve applications for assistance.

The Board considered ten applications under Section 7, which provides for assistance to projects in Assisted Areas that create or safeguard employment. Of these the Board found that nine applications met the relevant criteria and recommended assistance.

The Board also considered two applications under the Assistance for Exceptional Projects scheme which operates under Section 8 of the Industrial Development Act. Both applications were considered to meet the criteria and assistance was, therefore, recommended in both cases.

Members of the Board undertook a visit to the North East in September. Visits to a number of companies and a tour of the Wear corridor were arranged. Whilst in the area, the Board took the opportunity to hold discussions with the North East Industrial Development Board and the Northern Development Company. The Board found the visit very worthwhile.

The Board was pleased to welcome the Minister for Industry and Enterprise, Chairmen of the Regional Industrial Development Boards and Regional Directors to a lunch and meeting in February. Board members were grateful for the opportunity to discuss their work with the Minister and appreciated the advice and guidance which he gave them. It was also helpful for the Board to have an extended discussion with the Chairmen of the Boards for the English regions.

Amongst the Section 7 projects considered were several very significant inward investment projects which will have a substantial impact in the longer term both nationally and in the regions in which they will be located. These inward investment projects and the economic outlook region by region are reviewed in the reports below from each of the Regional Industrial Development Boards.

During the year one new member, Mr J Eccles CBE, was appointed to the Board.

Sir Ronald Halstead, CBE
Chairman

Scottish Industrial Development Advisory Board

Industrial/Economic Background

The Scottish economy has remained fairly buoyant during 1989-90, despite the depressed state of some UK markets and reports of pessimism among businessmen, particularly in the latter months. Manufacturing output in the second quarter of 1989 reached a record peak, surpassing the previous peak

recorded in 1974, and Business Survey evidence indicates that export markets have been particularly healthy. CBI surveys over the past year point to stronger export markets for Scottish producers than those in the rest of the UK and, if confirmed, would mark 1989 as the third successive year of Scottish export growth above the UK average.

Economic growth in Scotland has also been less susceptible to slowdown than the rest of the UK primarily because Scottish consumers are less heavily borrowed than those in Southern England and the healthy upturn in the North Sea Oil sector has produced higher benefits for Scotland as a whole.

It has been particularly encouraging to note that in the labour market, the fall in seasonally adjusted unemployment continued with a reduction of 50,000 in 1989, the largest fall in a calendar year since records began in 1948. In January 1990 unemployment in Scotland was at its lowest level for over nine years having fallen faster than any other UK region except the North of England. At 8.3 per cent of the workforce, Scotland's unemployment rate is now in line with the EC average. These improvements have been accompanied by a rise in the workforce of 95,000 in the two years to September 1989 bringing employment to its highest level since September 1980.

Behind these favourable indicators remains a concern that investment might suffer as a consequence of the continuing policy of higher interest rates. This would ultimately affect the longer term performance of the Scottish economy. Available evidence suggests, however, that investment has not yet been seriously affected, the output of the Scottish construction industry, for example, was a little higher in the first nine months of 1989 than in the same period a year earlier with the level of orders up by a more substantial 18 per cent. In manufacturing, official surveys conducted in early 1990 have reported that investment intentions were remaining fairly steady and produced no strong evidence of a significant downturn in investment activity either by the producers or consumers of investment goods.

Regional Assistance

Since the closure of the Regional Development Grant (RDG) scheme to new applications on 31 March 1988 Regional Selective Assistance (RSA) has increasingly become the main vehicle for regional assistance in Scotland. In the financial year to 31 March 1990, more than 310 applications for RSA were received compared to just over 250 in the previous financial year.

Over the same period, the number of RSA offers accepted by applicants increased from 194 to 228, and their value from £49 million to around £76 million. Offers accepted during the financial year 1989-90 were associated with planned expenditure by companies of £553 million, with the creation of some 10,480 new jobs

and the safeguarding of a further 3,790.

The RDG scheme closed to new applications in March 1988, but a late surge of applications at that time has led to a higher than expected commitment to RDG payments well into the 1990s. This surge in applications affected the take-up of the RSA scheme and although the number of RSA applications has risen since that time the rise has not been as marked as had been anticipated. The number of applications for RSA is however expected to increase further in the course of 1990-91.

The Regional Enterprise Grants (REG) scheme was introduced in April 1988, and provides support for innovation and investment projects being undertaken in Development Areas by companies with fewer than 25 employees. The scheme is designed to overcome the problems that small companies face in raising finance for such projects. During 1989-90 673 applications were received and 394 offers of assistance accepted. These offers involved grant of £2.0 million in respect of investment projects and £2.0 million in respect of innovation projects.

Inward Investment

As in previous years offers of RSA in 1989-90 to overseas-owned companies accounted for a substantial proportion of total grants awarded, and the proportion was even higher than in the previous year. In 1989-90 45 per cent (27 per cent) by value and 14 per cent (12 per cent) by number of all offers accepted in Scotland came from overseas-owned companies, and they accounted for 40 per cent (26 per cent) of associated job creation (figures for 1988-89 in brackets).

Among those offers accepted was that of the Compaq Computer Manufacturing Ltd. to expand its facility at Erskine in Renfrewshire to create a further 550 jobs, and Unitex Ltd., the Hong Kong based clothing manufacturer who plan to create almost 1000 jobs at Irvine in Ayrshire.

European Schemes

The Government continues to offer Exchange Risk Guarantee (ERG) on European Coal and Steel Community loans up to £500,000.

In 1989-90, 110 offers of ERG were made on loans amounting to £21.9 million, more than in 1988-89 when 64 offers on loans valued at £13.6 million were made.

Board Membership

In June 1989 the Secretary of State appointed Mr Colin Halley to the Board in place of Mr Barrie Lawson who moved early in 1989 to the North West Industrial Development Board. At the end of 1989 Mr T Johnston OBE retired as Member after nine years' service. His valuable contribution is gratefully acknowledged. He was replaced by Mr Peter Timms

of Flexible Technology Ltd. Three members: Mr Y Ali OBE Chairman, Castle—AA Brothers Ltd; Mr A K Smith CBE Managing Director, Babcock Thorn Ltd; and Mr J C Shaw CBE, Executive Director, Scottish Financial Enterprise Ltd were re-appointed for a further three year term.

D J MACLEOD
Chairman

Welsh Industrial Development Advisory Board

Industrial/Economic background

The record of the year to 31 March 1990 was again one of growth and achievement for industry in Wales, and in the underlying strengths and prospects of a much revitalised economy. There has also been increasing evidence of Wales as a prime location for new and expanding industry and further development of locally based financial structures to support both the expansion and diversification of existing industry, and of new enterprises.

The optimistic assessment of the past year is based on several factors: manufacturing output nearly a third higher than in 1985, compared with a fifth higher for the UK as a whole, by far the strongest growth in manufacturing employment of any part of the UK; continuing success in attracting a large share of inward investment at a time when the flow of new inward investment has been encouraged strongly in the run-up to the single European market; and the forty-sixth consecutive monthly fall in the unemployment rate which now stands at 6.4 per cent but still higher than the 5.6 per cent rate of unemployment for the UK as a whole.

Though some economic forecasters project for Wales the fastest UK growth of manufacturing in the 1990s there may be both general and particular difficulties immediately ahead. The general difficulty arises from the marked slow down in the growth of the British economy in the wake of prevailing high interest rates to combat inflation. This has been paralleled by a slackening in manufacturing output in Wales, which disappointingly fell by 2.9 per cent in the last quarter of 1989, and was the second successive quarterly fall. Though recent high levels of investment in Wales still imply a better than average industrial performance, together with evidence of large export potential and new inward investment projects, prospects for output growth appear to have diminished, and with it the prospect for either further strong growth in jobs, or significantly lower unemployment levels. Particular difficulties arise from the persistent and still very high levels of unemployment in certain areas of Wales, notably the South Wales Valleys, which face a further loss of coal mining jobs and with it the virtual disappearance of the historic deep coalmining industry, and parts of Gwynedd and Dyfed. These are problems which are being addressed by, amongst other actions, the Programme for the Valleys and substantial improvements in road communications

to Dyfed and Gwynedd. However, a general slow down in the growth of the economy will make it more difficult to attract significant volumes of new industry into these particularly needy areas.

The more difficult year in prospect for these industries in Wales which have a high dependence upon a sluggish domestic market underlines the need to support in the run-up to 1992 new manufacturing projects, either by domestic or overseas companies, which, while creating employment opportunities, also secure large export sales or advance UK techniques and expertise. Increasingly, new major investment, again not just by overseas but also domestic companies, will only be secured against very strong and increasing competition from other EC countries. This together with the opportunities arising out of the changes in eastern Europe is the challenge of the 1990s. A challenge which will need to be successfully met to ensure a continuing strengthening of the Welsh industrial economy, which now has the potential to make not only a further contribution to its own still large employment needs, but also a greater contribution to the overall UK economy.

Welsh Development International

During the year WDI has again achieved significant success, securing a total of 128 projects. Sixty eight projects were promoted by overseas companies involving nearly 2,700 jobs and capital investment of £508 million.

A further 52 projects are to be provided by UK-companies, creating or safeguarding a further 3,810 jobs and involving capital investment of £65 million.

With the increased competition in securing inward investment in the run up to the completion of the Single European Market, we are pleased to note that WDI has further strengthened its senior management capability and refined its strategy for 1990-91 to enable it to respond to future developments and capitalise on likely opportunities.

Welsh Development Agency

The availability of suitable factory accommodation is an important factor in the ability of Wales to attract new projects and we are pleased to note that for the third year in succession, the WDA has let over two million square feet of floor space. An additional 1.4 million square feet of new floorspace came on stream during the year taking the total property portfolio to over 20 million square feet.

With the launch of the Welsh Property Venture by the WDA, an initiative between private developers and the Agency, it is hoped that by the mid-1990s a further six million square feet of new floorspace will be provided, capable of accommodating up to 18,000 jobs.

Regional Assistance

During 1989-90, applications for Regional Selective Assistance were received in respect of 276 projects and 190 offers of assistance with a value of £61.7 million were accepted by companies. These projects are expected to create nearly 8,200 new jobs and safeguard a further 3,500.

The number of offers accepted increased by six per cent over the previous year. Of particular note among these projects is the decision by Tesco PLC to locate its head office, administration function branch in Cardiff, and in doing so create 550 jobs. Also in the service sector, Chartered Trust PLC is to establish a new business unit in Cardiff to centralise the processing of small loans and to provide card-based services to retailers. This project is expected to create almost 300 new jobs.

In the manufacturing sector a joint venture between Lucas Automotive Ltd and Sumitomo Wiring Systems of Japan will create nearly 300 jobs in providing a facility to design, manufacture and market electrical wiring assemblies for photocopiers and computer printers at Deeside. Further Japanese investment at Baglan Bay is expected to create 120 jobs, where Mutsushita Electronic Components Co Ltd are providing a new manufacturing plant.

Exchange risk cover was provided on loans of some £5.8 million from the European Coal and Steel Community. The Regional Development Grant II scheme closed to new applications on 31 March 1988. However, residual payments in 1989-90 made in respect of outstanding commitments amounted to £26.9 million.

The Business Improvement Services package of schemes which terminated on 31 March 1989 continued to make payments in respect of offers of assistance made prior to that date. Payments amounting to £2.2 million were made in 1989-90.

The Enterprise Initiative

The Regional Enterprise Grant Scheme, aimed at encouraging investment and the development of innovative new products and processes continued to offer support to small firms (employing less than 25 people), in Development Areas.

Despite changes in the economic climate in the latter part of the year applications for a variety of investment and innovation projects continued to be submitted at a steady rate. Of the 415 applications received, over 25 per cent were from start-ups and over 20 per cent involved innovative projects. During 1989-90, 325 offers of grant totalling over £2.8 million were made.

The Board was pleased to note the continued success of the consultancy initiatives in Wales following their introduction in 1988. No less than 1,174 companies sought to take advantage of these initiatives during 1989-90.

Board Membership

During the year, Mr Lewis Davies OBE JP, and Mr Peter Mullens OBE, retired after serving six and nine years respectively. Their valuable contributions are gratefully acknowledged. In their place the Secretary of State appointed Mr Trefor Jones OBE, Chief Executive of Pilkington Optronics PLC, and Mr Hywel Jones, Senior Partner, Coopers and Lybrand Deloitte.

SIR PETER PHILLIPS, OBE
Chairman

North East Industrial Development Board

Industry in the Region

The past year saw the North East economy respond well to general economic pressures reflecting the increased resilience provided by a broadening industrial base. There were, however, some signs of a slowdown in the Regional economy with high interest rates holding back both investment and consumer spending. There were reports of non-essential manufacturing investment being deferred, and a slowing down of activity in the construction sector. The clothing and white goods sectors suffered particularly from reduced demand but the effect of high mortgage rates on disposable income was mitigated by the lower cost of housing in the North. Heavy engineering and the offshore sector in general were buoyant with many substantial orders won.

The pharmaceuticals industry also showed a large increase in sales and reinforced its position as a leading employer. British Steel, British Coal and ICI also performed well, although the latter's fertiliser business continued to be depressed. In shipbuilding, Swan Hunter on Tyneside won a £350 million order to build three Royal Navy frigates which will provide work for 2,800 employees. In the Sunderland area progress was made in finding alternative employment for the 2,000 workers made redundant following the closure of North East Shipbuilders yards in December 1988, with 1,200 ex NESL workers now placed. It was however disappointing that, more than a year after the announcement of the decision to close the shipyards, the Enterprise Zone, the major element of the Government's remedial package, did not become formally operational. As a consequence no private sector developments, so necessary to secure an alternative future for the area, went ahead.

On the export front, fluctuations in the exchange rate and the strength of the pound caused problems for some companies. Despite this, export activity remained high and there was a marked increase in the use of DTI export services. North America and West Germany remained favoured markets but there was a substantial increase in interest in the Far East and Eastern Europe. An increase in enquiries about

exporting within Europe was also noted and could be attributed to increasing awareness among companies of the Single Market opportunities and challenges.

Overall, the mood in industry was one of reasonable optimism and of being poised to take advantage of an upturn in the economy when trading conditions improve and particularly when interest rates fall.

Increased inflation caused upward pressure on pay claims and in general settlements were at or slightly above the rate of inflation. Skill shortages were widely reported notably for skilled engineering, technical and professional posts. The formation of the new Training and Enterprise Councils and other Government and private sector training initiatives are expected to make significant inroads into this problem.

Inward Investment

Inward Investment enquiries, up 15 per cent, increased for the fifth year running. Difficulties in labour recruitment, labour retention and rising property prices in the South East led to a continuing interest from UK companies which accounted for just over half of the enquiries. As a result several UK companies chose the North East for their investment projects including Automobile Association Insurance Services which is forecast to provide 250 jobs.

Office accommodation was amongst the most competitively priced in Great Britain and two million square feet of accommodation was available or shortly to become available in Newcastle which should provide an incentive and sound base for further white collar relocations.

Available modern factory accommodation was snapped up quickly and there remained a shortage of such premises, particularly in the 20-30,000 square feet range. Whilst the private sector continued to show development interest in the more promising areas, particularly Enterprise Zones, it must remain an important priority to attract private development more widely into the Region and for English Estates to continue a direct build policy.

Overseas the Far East, predominantly Japan, continued to be a major source of enquiries. Announcements made during the year included the establishment of two automotive plants. Interest from the USA continued to show signs of revival with twelve successes in the year. These included projects by Millicom, the US telecommunications' services group, to set up a European administration in Darlington creating at least 300 jobs with the possibility of 1,000 by 1992, and Eaton Ltd, the UK subsidiary of Eaton Corporation, to expand production of vehicle transmissions at Newton Aycliffe.

Overall it was a successful year with at least 36 overseas and UK companies deciding to locate in the North East in addition to some 20 expansion projects

involving existing overseas companies established in the Region.

Unemployment

Despite high interest rates and reduced consumer demand, the overall rate of unemployment continued to decline over the year. In March 1990 113,841 people or 10.7 per cent of the workforce were claiming benefit in the North East, compared with a national rate of 6.5 per cent. This represents a fall of 28,235 on the figures for the corresponding month in 1989 when 12.9 per cent of the workforce was claiming benefit compared to a national rate of 6.6 per cent. During this period Regional Selective Assistance was offered against the creation of 7,519 jobs. The number of declared redundancies has fallen consistently for the past eight years and the annual total of 8,030 for 1989 was 21 per cent down on the figure for 1988. However, the North East Region continued to have the highest unemployment rates in Great Britain with major blackspots being South Tyneside 17.0 per cent (1989 17.9 per cent), Hartlepool 15.8 per cent (1989 17.0 per cent), Middlesbrough 12.8 per cent (1989 14.9 per cent) and Sunderland 12.8 per cent (1989 15.1 per cent).

National Financial Assistance

(a) Regional Development Grants (RDG) RDGII

Under the revised scheme (RDGII) which closed to applications after 31 March 1988 payments to applicants in England totalled £83.4 million. Of this £37.5 million was paid to applicants in the North East. All payments except for those in the South West are processed by the DTI NE office at Billingham.

(b) Regional Selective Assistance (RSA)

During the year 254 offers of RSA to the value of £36.85 million were made towards fixed project costs amounting to £243.55 million. These projects are expected to generate 7,519 new jobs and safeguard 717 others. The number of offers made was over 25 per cent higher than the previous year although the total amount of grant offered fell by around 17 per cent and the fixed investment supported was also lower. This probably reflects an increase in the number of small grant applications received following the demise of the RDGII scheme.

(c) Enterprise Initiatives Schemes

Interest in and applications for the Consultancy Initiatives (CI) and for Regional Enterprise Grants (REG) continued to increase. During the year 1,189 CI applications were received. Some 1,166 Business Reviews were commissioned and these resulted in 910 cases being referred to Scheme Contractors. Quality and Marketing were jointly the most popular initiatives.

Of the 789 REG applications received 679 were for investment support and 110 for innovation. £4.2 million was offered (Investment £3.1 million and Innovation £1.1 million) whilst £2.1 million was paid (Investment £1.5 million, Innovation £0.6 million).

(d) Inner Cities

The Government's initiatives to regenerate inner urban areas in the region began to establish track records of activity and success. The City Action Team in Tyne and Wear and the Cleveland Coordinating Team effectively coordinated the activities and spend of Government and developed good links with local authorities and the business leadership teams, the Newcastle Initiative, The Wearside Opportunity and The Teeside Tomorrow Team. Through their Inner Cities budgets they also supported a number of projects in the area of training, marketing and new technology. The Inner City Task Forces in Middlesbrough and Hartlepool continued to harness local community effort to improve employment, enterprise and training opportunities while the Urban Development Corporations made good progress in regenerating the Tyne, Wear and Tees industrial riversides.

*R F Bishop, CBE
Chairman*

Yorkshire and Humberside and East Midlands Industrial Development Board

Yorkshire and Humberside Region

General

During the year, and particularly in the last quarter, there have been continuing signs of a slow down in economic growth in many parts of the Yorkshire and Humberside region. High interest rates and inflation have caused a downturn in demand, although this is unevenly spread. The larger companies have managed to cope with these changing economic conditions better than smaller ones who are more highly geared and regrettably sometimes experience payment delays by their larger customers. Nevertheless, many companies continued to show increased profits and a welcome commitment to investment. There has been a general decrease in the rate of orders from the home market as the year has progressed but many companies have still been working close to full capacity. Skill shortages have been widely reported especially in the engineering and metal processing industries. The problem has been especially acute in South Yorkshire and is being partly addressed with an increase in the numbers of new apprentices being taken on. There were signs of a more marked downturn towards the end of the year with the number of receiverships and insolvencies increasing.

Overall, unemployment edged down for much of the year but in the last quarter started to move back up again, albeit very slowly. The growth in employment in the service sector continued, most notably in financial services based in the larger cities. In addition 1,200 posts in the National Health Service and 850 Social Security posts are to be relocated in Leeds. This growth in the service sector has increased the demand for good quality office accommodation which was in short supply and led to a commensurate

rise in rental levels particularly in Leeds. There has also been a shortage of large industrial sites with good motorway access within the region but the situation has now improved.

The downturn in demand has severely affected the high street retail sector with sales of DIY products, furniture and electrical goods becoming increasingly sluggish. This has already led to some job losses. The wool textile industry, concentrated in West Yorkshire, has achieved record levels of exports but home market demand has been low for some time. Those supplying the top end of the market have generally fared better. There is concern in the textile sector about the future of the multi fibre arrangement which will expire in July 1991. In building and construction, the boom at the beginning of the year has now levelled off. The housing sector has been affected by the high interest rates and there are signs now that commercial developments are not attracting the interest and tenants that were expected. The specialist engineering sector continues to do well especially firms with healthy overseas order books. British Coal has continued its rationalisation programme in South and West Yorkshire which has led to further job losses with more anticipated, particularly if power stations decide to increase their purchases of imported coal. Farming and agriculture related industries, a key sector in Yorkshire and Humberside, continue to be adversely affected by the high interest rates and low returns.

The region's exporters have continued to do well with substantial sales achieved. However, fluctuations in exchange rates have caused some problems particularly for the smaller and less regular exporters.

In summary, as the year has progressed there has been a downturn in many areas of the regional economy but it is felt that Yorkshire and Humberside is likely to be able to withstand the current difficult conditions more easily than most. For the future, and particularly as 1992 approaches, the region is well placed to take advantage with major ports at Hull, Immingham and Goole and the recently announced freight terminals at Leeds and Doncaster. The region's already excellent motorway links with other parts of the country will be further improved with key schemes in the road programme.

Unemployment

In line with national trends, unemployment in the region fell during the period from 8.1 per cent in March 1989 to 6.8 per cent in November 1989. Following small increases in December and January the rate remained at 7.1 per cent for the next two months. There has also been a significant increase in the number of redundancies notified towards the end of the year. The low overall figure for the region does, however, tend to conceal that there are pockets of very high unemployment particularly in the Dearne Valley area of South Yorkshire which has been very seriously affected by job losses in the coalmining industry. The unemployment figure at February

1990 for the surrounding Rotherham TTWA was 12.6 per cent with rates significantly above the national average in Barnsley and Doncaster.

Government Assistance

During 1989-90, 220 applications for Regional Selective Assistance were appraised and 135 offers of grant made compared with 241 appraisals and 174 offers in the previous year. The lower number of offers reflected the tougher trading conditions in the latter part of the year. The value of the grants offered totalled £13.5 million with related projects costs of £169 million. It was expected that projects receiving assistance would create or safeguard 5,152 jobs. 43 per cent of the offers made related to applications for grant of £25,000 and below. This figure is down from 56 per cent last year but probably reflects the increase in the number of Regional Enterprise Grant offers made during the same period. The distribution of assistance across the region shows that grants were offered on 51 projects in Humberside, 54 projects in South Yorkshire and 30 projects in West Yorkshire (Bradford).

Inward Investment

There have been a number of encouraging inward investment projects in the region during the period. Koyo Seiko from Japan, is one of the World's largest producers of ball bearings and has chosen the former Dodworth Colliery in Barnsley as the site of its first European factory. The plant will cost £50 million and is expected to create 400 new jobs by 1993. An RSA grant of £3.5 million was offered to help secure the investment. Orthotech (UK) Ltd, part of the American 3M Group, increased its commitment to South Yorkshire with a substantial expansion on a greenfield site. The project, to manufacture orthopaedic implants and instruments, will involve an investment of £7 million and create 90 high quality engineering jobs. Regional Selective Assistance of £950,000 was offered to the company. Pioneer Electronic Corporation has decided to locate its compact disc player and audio visual equipment manufacturing plant close to Wakefield in a non-assisted area. Total investment in the project exceeds £16 million and is expected to create 500 jobs over the next three years. Early indications are that the region will benefit through spin-off projects following Toyota's decision to set up a motor vehicle manufacturing plant just outside Derby. It may also well benefit through being situated between Toyota and Nissan in the North East.

Inner Cities and Urban Areas

In addition to the specific assistance given by City Action Teams and Inner City Task Forces, Regional Selective Assistance has continued to contribute towards the cost of project investment within the region's main cities and urban areas. A major example was in Bradford where a grant of £1.5 million was offered to A E Pistons, formerly Hepworth and Grandage, to update and re-equip its

piston manufacturing plant. Total investment was in excess of £10.5 million and the project will safeguard 207 jobs and create an additional 80. In the Doncaster Task Force area, Yorkshire Print Finishers will provide finishing services to the printing industry. Initial investment is expected to exceed £1 million leading to the creation of 51 new jobs. RSA of £200,000 has been offered. There have also been a number of small projects assisted in inner city areas.

Monitoring of projects supported by Regional Selective Assistance shows that 106 projects were completed during the year which created or safeguarded 3,151 jobs compared with 3,338 forecast.

Regional Enterprise Grant

Regional Enterprise Grant (REG), payable under Section 8 of the Industrial Development Act 1982 to undertakings or groups employing fewer than 25 people, has shown a marked increase in take up within the region. The past 12 months has been the first full year since the grant became available in the whole of South Yorkshire in addition to the Development Areas.

The total number of REG Investment Grant offers in the past year has risen to 274 with a value of £2,262,000 compared with 118 offers and a value of £948,000 in the previous year. REG Innovation Grants totalled 35, valued at £777,000 in comparison to 28 grants last year with a total value of £631,000. Geographically the majority of Regional Enterprise Grants have gone to businesses in South Yorkshire.

East Midlands Region

General

Business growth has levelled off from a high point in mid-1988. Capacity utilisation is still high and export orders are buoyant, helped by a competitive pound. Overall however, firms are less optimistic than a year ago and investment and expansion plans have been reduced, not least because of continuing high interest rates. There are signs of increasing concern about inflation and the decline in retail sales, particularly clothing and household goods. Export performance in the region improved overall in 1989. Some of this can be attributed to the downturn in the home market, with companies diverting excess capacity and efforts to export markets; it is to be hoped that this will be sustained when the home market improves. Our major markets continue to be EC countries, with Spain and Portugal still predominating, the USA, Japan and the Middle East. Interest in the Eastern Bloc increased in the later part of the year following changes in the political climate.

To the south of the region, particularly in Northamptonshire, labour shortages are proving the major factor limiting business development and expansion. Taking the region as a whole, there are signs that the

skill shortage situation is improving, though this may in part reflect lower recruitment levels among firms in the region as expansion plans are affected by the current downturn. In common with other regions, firms in the East Midlands are very much aware of the forthcoming demographic changes and companies (particularly in the retail sector) are encouraging recruitment of older workers and of women returners. Receiverships are rising and company liquidations in the region in 1989 are estimated to have increased by 22 per cent on the previous year.

1989 saw the demise of a number of textile firms in the region, particularly knitwear companies in the Leicester area. While the resulting redundancies have so far not fed directly through to the unemployment figures, morale in this sector of industry is low, and there have been a number of high level representations to Ministers and two recent Parliamentary debates on the subject. Problems will be accentuated by the expiry of the current Multi Fibre Arrangement (MFA) in July 1991. Non-renewal of the MFA might result in the loss of 15,000 textile jobs in the East Midlands. Coalmining activity in the region continues to diminish: 3,500 mining jobs have been lost since January 1989, four pits in Nottinghamshire and Derbyshire have closed and the last pit in North West Leicestershire is expected to close by 1991 due to exhaustion of reserves. Six of the remaining Nottinghamshire collieries, employing a total of 5,000 people, are considered to be under threat of closure. On the credit side, 400 men are now employed at the Asfordby pit in the Vale of Belvoir, where production is expected to begin in the autumn of this year.

Inward Investment

While the region lacks a unified approach to promoting industrial development, 1989 was another successful year for inward investment, with the major success being the Toyota project in Derbyshire—projected final costs are £700 million, with the prospect of over 3,000 new jobs in the region. There are also indications of a number of valuable spin-off projects resulting from Toyota's decision.

Inner Cities and Urban Areas

This year saw a major increase in the activities of the Nottingham/Leicester/Derby City Action Team, with successful events in each of the cities encouraging private sector involvement in inner city regeneration. The Task Force rolling programme continues with the closure of Leicester Highfields in October 1989 and the recent announcement of a Task Force for Derby.

Unemployment

Unemployment in the East Midlands has consistently been below the national average. However, the regional rate appears to have "bottomed out" since

the turn of the year and job losses in the textiles and mining sectors can be expected to push the regional rate up relative to the national position. Current figures are 5.2 per cent (East Midlands) and 5.4 per cent (Great Britain). Wide differences within the region persist—a number of areas in Northamptonshire and Leicestershire are at or around the three per cent mark, taken to signify full employment, while unemployment in Skegness in February 1990 was 14.4 per cent. The unemployment rate in the Corby Development Area in February 1990 was 5.1 per cent, below both regional and national rates in contrast with the unemployment rate for the non-assisted Mansfield Travel-to-work area which at 8.3 per cent in February 1990 remained firmly above the regional and national averages.

Government Assistance

In the year ended March 1990, 29 offers (24 in 1988-89) of assistance under Section 7 of the Industrial Development Act 1982 were made for projects costing £15.6 million (£20.8 million in 1988-89). Grants offered totalled £0.88 million (£1.05 million) and it is expected that 600 (472) jobs will be created or safeguarded as a result. The number of RSA applications has increased over the last year and are mainly from small to medium sized companies with lower project costs.

35 projects supported by RSA were completed during the year. These created or safeguarded 672 jobs, compared with a forecast of 621. A further four projects were terminated before completion.

Regional Enterprise Grant applications during 1989-90 resulted in 26 (investment) and 11 (innovation) offers of assistance under Section 8 of the Industrial Development Act 1982 and were for projects costing £1.74 million (investment) and £1.47 million (innovation). Grants offered totalled £0.25 million (investment) and £0.26 (innovation).

Regional Development Grant

During the year responsibility for Regional Development Grant, its payment and monitoring, was transferred to the Billingham office of DTI North East. All matters relating to Regional Development Grant in both Yorkshire and Humberside and the East Midlands regions are now dealt with by that office.

Changes in RIDB Membership

During the year it was decided to end the arrangement under which separate panel meetings were held in Nottingham and Leeds with quarterly Board meetings taking place alternately in the two locations. As a result of this the Nottingham Panel members whose appointments were due for review, retired at the end of 1989. The Board wishes to express its gratitude to Mr P Birch, Miss B Paton (now sadly deceased) and Mr L Teeman, OBE for their valuable contributions. This appreciation is also extended to Mr B J Spencer CBE who resigned from the Board.

Two new members, Mr M P D Bullock and Mr J R Corrin were appointed to the Board with effect from 1 January 1990.

T McDONALD, OBE, FCA
Chairman

South West Industrial Development Board

General

Though overall a good year for the region, the first quarter of 1990 does not bode well for the coming year. The economic down-turn has led to a number of factory closures, increasing numbers of companies going into receivership and increasing bad debts. The factory closures are especially of concern since much of the employment in the far South West is in branch plants of major national or international companies without administrative or research and development capability and hence particularly susceptible in times of recession.

Continuing high levels of interest rates are now beginning to impact on investment intentions in all sectors with a resulting lower than anticipated level of applications for both Regional Selective Assistance and Regional Enterprise Grant. The agricultural and tourism sectors have also been affected; the latter despite high hopes for the coming season after an excellent summer in 1989. The board viewed with regret the withdrawal of grants under Section 4 of the Development of Tourism Act—especially since the grant remains available in Scotland and Wales—which will further inhibit the investment necessary to attract the more sophisticated tourist market in the 1990s.

Despite welcome announcements of increased spending on the road network in the far South West, the Board is still seriously concerned at the lack of progress in securing improvements in the infrastructure within the area as well as in improving access to the area. Delays in implementing major road improvements are limiting the speed of much needed industrial diversification within the region. The advantages to be gained from access to European Funds under programmes such as RENAVAL will not be fully realised unless the problems of peripherality can be overcome. In addition to a speeding up of the road programme, the Board looks to see improvements in rail facilities, both passenger and freight, and the maintenance of air links in the short term. In the medium term the creation of a regional airport needs to be considered.

Land shortages continues to obstruct the diversification and modernisation of the South West economy and, once again, the Board urges both the private and public sectors to release land for industrial development purposes. In this context the release of land by the Ministry of Defence at Devonport Dockyard and the recent land “swop” between MOD and Plymouth City Council are to be welcomed. It is

hoped that English Estates will in future concentrate more on the provision of serviced sites, encouraging private developers to build to specific requirements of companies expanding or locating in the Region.

Employment

Despite the slowing down in economic growth, skill shortages continue to give cause for concern. The Board hopes that the Devon & Cornwall Training and Enterprise Council—the establishment of which the Board strongly welcomes and supports—will accord priority to this problem.

Unemployment in the Region as a whole continued to fall over the year but recent closures and redundancies suggest that unemployment may increase in the current year. Further cut-backs may lead to the re-emergence of “black spots”, especially in West Cornwall.

Though welcome, easing world tensions and the moves towards multi-party democracy in Eastern Europe have raised concerns over employment in the defence sector on which the South West is heavily dependent. The Board expresses the hope that the Government will keep the position under review and, if necessary, provide support for any company restructuring or major diversification consequent upon cuts in defence spending.

Devon and Cornwall Development Bureau

The continuing efforts of the Bureau were crowned this year by the decision of a further large Japanese manufacturer, Murata, to locate in Plymouth. In this regard, the Board commends the foresight of Plymouth City Council in buying and retaining the facility now occupied by Murata when the previous occupant closed down. Though mindful of the capital restraints on local authorities, the Board invites others to note Plymouth City Council's actions.

Devon and Cornwall Development Company

Work has continued during the year to establish this new organisation as the facilitator for economic development in the two counties. Although there is some way to go before the Company proves that it has the capability to make a significant contribution, recent successes, particularly the signing of the Brittany Protocol and the promotion of regional cooperation in agriculture and fishing, have been encouraging.

The Board notes that there is some confusion within the two counties as to the respective roles of the Devon and Cornwall Development Bureau and the Devon and Cornwall Development Company and invites both organisations to consider ways to eliminate the confusion.

Selective Assistance

Government assistance continues to play a real role in encouraging economic development and employment creation in the Assisted Areas. The Board is however concerned that the geographical limitations on Regional Selective Assistance mean that little regard can be taken of the needs of the Region as a whole. Now that the relief of unemployment is for the present no longer the major problem, and that pressure to conform with environmental legislation for example will impact on business irrespective of location, the Board asks the Department of Trade and Industry to consider a more flexible approach to "Regional" Assistance.

During the year under review, 74 offers of Regional Selective Assistance totalling £11.4 million were made under Section 7 of the Industrial Development Act towards investment of £87.2 million. 2,425 jobs are expected to be created or safeguarded as a result.

Membership

George Hoare retired from the Board during the year. The Board would like to express its gratitude for his years of service; with his wide knowledge of commercial affairs in Cornwall he made a valuable contribution to our work.

K E HOLMES, CBE
Chairman

West Midlands Industrial Development Board

The industrial base of the region continues to diversify, both within manufacturing and towards services. Many sectors have performed strongly throughout the year. Efficiency gains and greater professionalism have shown through in much improved export performance across the board, aided a little towards the year-end by exchange rates. In particular, vehicle assembly plants are working at high capacity. Continued high interest rates have, however, started to depress consumer and domestic building products for the home market. Indications are that, if high interest rates are prolonged, a cut-back in investment plans may also soon be felt, levelling-off the key engineering sectors in the short term, despite export buoyancy.

The underlying trend, however, is positive and the region remains attractive to inward investment, with Telford still a focus for Japanese companies. Overseas interest in vehicle component manufacture has increased and the region expects to benefit substantially from the new Toyota plant. Good progress is apparent in tackling the inner urban economy, with early approval of the Black Country Spine Road and major developments announced in Birmingham Heartlands. Elsewhere, trunk road proposals will greatly assist industry, but concern exists about the adequacy of proposed rail freight services via the Channel Tunnel, with risk of

remoteness in the European context. This would affect the strong European market interest now appearing in the run-up to 1992.

Demand for industrial and commercial floorspace is high, with price pressure most widespread in the latter. Local Authorities are acting to bring forward more land. The outturn on Uniform Business Rate seems likely to increase demand and encourage new building, with emphasis on the smaller industrial units.

Unemployment

Unemployment in the region has continued to fall broadly in line with the national trend. In February 1990 the West Midlands Region had an unemployment rate of 6.1 per cent compared with a rate of 5.7 per cent in Great Britain. Figures in February 1989 were 7.1 per cent and 6.8 per cent although direct comparison is not possible because in September 1989 the denominator was revised to take account of the results of the 1987 Census of Employment. Vacancies at Job Centres in the Region stood at 15,400 in February, compared with 20,900 a year earlier. Among the Travel-To-Work-Areas in the West Midland Assisted Area, the greatest improvement rates have occurred in Telford and Bridgnorth (from 8.6 per cent to 6.0 per cent). In the Wolverhampton TTWA, however, unemployment has declined by only 0.5 per cent (from 10.4 per cent to 9.9 per cent) and it still has the highest rate in the region.

With output beginning to stabilise the problem of skill shortages has moderated but it still exists from shop floor to management level. The engineering industries and companies involved in IT are, in particular finding it difficult to recruit. There has, however, been a welcome increase in the provision of in-house training.

Regional Selective Assistance

Demand for Regional Selective Assistance has diminished somewhat over the last financial year, but 346 projects have attracted support. These involve total grant of £17 million towards investment of £180 million and they are expected to create or safeguard 8,100 jobs.

Nearly half of all assistance offered has been towards the engineering, metal goods and vehicle related industries. The proportion going to industries less associated with the region has increased, however, with the main activities supported being food and drink, clothing and textiles. Taken together these accounted for some 30 per cent of all grant offered during the year.

The advice of the West Midlands Industrial Regional Development Board was sought on 26 major projects during the year and, of these, 10 were to secure Inward Investment. This reflects the increased pace of inward investment activity in the region, of which new vehicle component investment has formed a

notable part. Overall in the last year Regional Selective Assistance has been offered towards 19 projects from overseas companies wishing to establish units in the West Midlands.

More than two thirds of all offers were to companies with less than 25 employees with related grant of £8.8 million. The majority of these offers were of grant of less than £25,000, and subject to simplified application and appraisal procedures.

Changes in Membership

During the year Graham Mackenzie retired and the Board wishes to record its gratitude to him for his valuable contribution. Bijan Sedghi is welcomed to membership of the Board.

E SWAINSON, CBE
Chairman

North West Industrial Development Board

General Outlook

There continue to be positive features to report about the performance of North West industry despite a progressively more difficult economic environment. A number of major contracts have been won during the year by North West firms and some sectors are continuing to perform strongly. In particular, the aerospace industry has been successful both on the civil and military side although industrial action took place at some sites. The Region's high technology activities have also achieved success in such fields as data communications equipment and ship sonar systems. Despite difficult market conditions, particularly in the truck and bus sector, there have been some excellent achievements in the engineering and automotive industries with North West companies taking the lead in major international projects. The food and drink sector has experienced some severe cutbacks, but also achieved some notable successes, whilst pharmaceuticals has remained one of the more strongly growing parts of the Regional chemical industry. Tourism, in its many forms including Industrial Heritage, continues to be an important generator of income for the Region. In parts of the region where growth is continuing constraints have however emerged in the form of shortages of suitable land and industrial sites.

Although the North West has a number of expanding companies, high interest rates have had a major impact in dampening down demand, especially in the latter part of the year. This has added to the problems facing the Regional textiles, clothing and footwear sectors which have continued to experience considerable difficulties in the face of cheap foreign imports, combined with a relatively high pound. Equally the downturn in consumer demand, combined with the fall in the housing market, has seriously affected such activities as household textiles manufacture, the furniture trade and the domestic appliances

market. Bulk chemicals have shown modest growth but, because of surplus capacity in both Western Europe and the USA, there has been downward pressure on prices. Parts of the Region, particularly West Cumbria and Furness, remain heavily dependent upon the nuclear and defence industries. There is concern at the implications for West Cumbria of the run-down in construction jobs at Sellafield when major projects are completed in 1992-3. In general there is clear evidence that firms are being compelled to scrutinise investment projects more critically because of the high cost of finance and uncertain market conditions. Cash flow problems have arisen, particularly in the small firms sector.

Employment Trends

In March 1990 the North West experienced a fall in the number of seasonally adjusted unemployed for the 45th consecutive month to 7.5 per cent which compared favourably with the figure of 9.0 per cent some 12 months earlier. Nevertheless this is almost 40 per cent higher than the national average and is still one of the highest unemployment rates amongst regions in Great Britain. Within the region there is considerable variation, with levels remaining intractably high on Merseyside but staying well below the national average in south east Cheshire and other parts of the Region. While confirmed redundancy levels are considerably lower than in the mid-1980s, the rate of decline between 1988 and 1989 was lower than in previous years. The provisional number of redundancies in the North West for 1989 is 19,200, only marginally down on the number (19,600) for the previous year. The North West continues to receive above its pro-rata share of job losses and the gap is widening; in 1989 the Region accounted for some 19 per cent of Great Britain confirmed redundancies compared with its 11 per cent share of employment. Although restructuring and modernisation continues across industry in an attempt to maintain a competitive edge, there has been marked retrenchment in the textiles and clothing sector and even in parts of the food industry.

The fall in unemployment combined with demographic trends has led to greater pressure on firms seeking particular skills. These range from all types of professional engineers, middle managers, computer specialists, design personnel, draughtsmen, salesmen, through to turners and machinists. More resources are being devoted to apprenticeship schemes and training than in the recessionary years of the early 1980s and a number of firms have sought to upgrade their training programmes to cater for demands in more advanced technology. However, the amount of training undertaken overall by firms remains disappointingly low and in a number of instances has been hindered by lack of funds and low profit margins. The Board hopes that the formation of the Training and Enterprise Councils will lead to the more effective delivery of government training schemes in the Region. The importance of language training, particularly with the approach of the single

market, continues to be underestimated, and more needs to be done in this area. Industrial relations have been comparatively good over the year, and there has been a relatively pragmatic approach to wage bargaining in the Region with productivity agreements being worked into a number of pay rises.

Regional Assistance

The demand for Regional Selective Assistance (RSA) fell by about 10 per cent compared with 1988-89. During the year 315 offers were made of grant assistance amounting to £22.3 million in respect of projects involving capital expenditure totalling £176.4 million and creating 4,290 jobs and safeguarding 1,554 existing jobs. While these figures include 30 major projects individually involving investment of over £1 million, 93 per cent of all offers made in the Region were to companies employing less than 200 and 54 per cent were for grants of £25,000 or less, a reflection of the continued success of the streamlined approach being taken to the appraisal of applications for small grants from small firms.

Within the Manchester/Salford City Action Team area, the demand for RSA has been at its highest level since the Team was established in 1985. Sixty seven offers have been made in the area associated with £2.2 million of assistance towards projects worth £17.3 million in total involving the creation of 646 new jobs and safeguarding a further 146 jobs. In the Liverpool/Birkenhead City Action Team areas 14 offers were made with £3 million of assistance towards projects worth £23.1 million involving the creation of 353 new jobs and safeguarding a further six.

Payments totalling £28.6 million were made under the revised Regional Development Grant Scheme, closed for new applications in 1988. Under the Regional Enterprise Grant Scheme 339 offers to a total value of £2.5 million were made during the year for investment projects. Administration of the Business Improvement Services (BIS) scheme moved into its final stages during the year and the Board notes with approval that 93 per cent of the funds originally allocated has been committed to eligible projects and 92 per cent has now been paid.

Enterprise Initiative

The Board has seen the Consultancy Initiatives become firmly established as a major means of help and advice for business since the launch of the Enterprise Initiative in January 1988.

It is pleasing to note that, with over 6,000 applications to date, North West companies are in the forefront in using the Initiatives to improve their competitiveness, especially in their preparations for 1992.

Regional Promotion

Efforts continue to be made to promote the Region

more effectively, particularly in the increasingly competitive world of mobile international investment.

The Board welcomes the steady expansion in the work of INWARD, the North West's regional development organisation, which will be supported in 1990-91 by further increased funding from the Department of Trade and Industry. Although there is still a need for increased support from local authorities and those parts of the business community who stand to gain from inward investment, the higher and more stable level of support from the Department will allow INWARD to carry out a greater range of activities and plan them more effectively. The Board also welcomes the efforts which are being made to coordinate the work of INWARD with other key agencies in the North West which have an interest in the region's promotion, such as the Business Leadership Team and the Urban Development Corporations. The realisation of the full potential of the Region for inward investment continues however to be hampered by a shortage of large, high quality, serviced sites. Too much of the land which is available is fragmented into small areas. The Board regards this as one of the major problems which needs to be addressed if the Region is to take full advantage of the opportunities to attract major strategic investment which exist with the approach of the single market. It is important that the Region takes full advantage of these opportunities if it is to compete effectively in the integrated Europe of the future. The Board reaffirms its support for the Manchester Olympic Bid, recognising that if it is successful there will be major economic benefits to the whole of the Region. It strongly holds the view that the wider image of the North West is still too negative, and that the perception of decision makers elsewhere lags behind the reality of the Region in, for example, the high quality of life which is available in many areas.

Transport Infrastructure

The Board commented in last year's report about the importance of the transport infrastructure and the need for investment in the various forms of transport connecting the North West to its markets. Some progress has been made and it is to be welcomed. In particular, the White Paper on Roads provided hope that the congestion on the Region's motorways and trunk roads was recognised and would be tackled. We hope that an early start can be made to what is understandably a lengthy process. The Board notes in particular that an early completion of the Manchester Motorway Box would make a significant contribution to industrial regeneration in areas east of Manchester.

The provision of adequate passenger and freight services to and from continental Europe through the Channel Tunnel is crucial if the Region is to play its full part in the Single European Market. A considerable amount of evidence on this has been provided to British Rail through its consultations

under Section 40 of the Channel Tunnel Act and through the highly regarded PEIDA Study, which was sponsored by North West industry and commerce and by local authorities. Following the opening of the Tunnel the North West will represent a tremendous market opportunity for the railways, for both freight and passenger traffic. It will require British Rail to act imaginatively in the provision of facilities and services if these opportunities are to be taken. Current plans suggest that much remains to be done.

Air travel and related freight traffic in the North of England is showing strong growth and will benefit from the developments under way at Manchester and Liverpool Airport. Manchester will provide capacity for 16 million passengers by 1993 and completion of Terminal 2 will raise this to 22 million by 1997. With a more open approach to route licensing, Manchester's Gateway hub could provide a better service to its customers and ease congestion in the South East. Liverpool Airport's business association with British Aerospace also promises major opportunities. There is considerable potential for the North West through the coordinated growth of these two airports, supported by more routes to continental Europe, North America and the Far East.

Technology

The Board has been encouraged by the continued development of NIMTECH and its widening involvement with industry in the Region. Through NIMTECH the Department has sought to influence and improve the flow of technology transfer both between industries and from higher education institutions (HEIs) to industry. Much remains to be done but it is clear that a strong and active technology centre can play a major role. The availability of grants from the Science and Engineering Research Council, including the Teaching Company Scheme, has also made an important contribution. Through these schemes it continues to be possible to fund collaborative projects between academia and industry.

The success in the Region of the Department's SMART competition continued with 102 applications in 1989, from which 15 companies received awards of £37,500 and seven companies from the previous year's winners received further awards of up to £50,000 in SMART stage 2. Further support for innovatory projects has also continued to be available under the Regional Enterprise Grants (Innovation) Scheme for the smallest companies in the Development Areas.

Industry/Education

The continuing partnership between business and the education system is vital to the future success of the region. The Board welcomes the continued strong take-up of the Teaching Company Scheme in the North West and the increasing involvement of HEIs with local industry.

Schools/industry links have continued to prosper in the North West under the auspices of the Department's Enterprise and Education Initiative through the work of the 21 Advisers located in host bodies across the region. The Board welcomes the launch of the Teacher Placement Service (TPS) and the appointment of Teacher Placement Organisers to work in tandem with the Advisers. The Board sees the TPS as an important initiative to improve understanding of the needs of business within education and to enhance curriculum development, and it looks to the development of a network of formal Business Education Partnerships across the region to build on the good progress made to date.

Exports

The Board notes with pleasure that a number of the Region's exporters continued to achieve notable successes during the year. It has been encouraging to see the public sector working closely with Chambers of Commerce, Export Clubs and others in the private sector in order to help companies make the most of opportunities for overseas business.

Single European Market

The campaign has had a strong impact in the North West but the Board would stress again that the present need is for more *action* by business. The Board is pleased to note that the Government's campaign includes practical advice on such action, particularly in the key area of Standards, and it welcomes the introduction of the Guide to Practical Advice for Business listing points of expertise relevant to companies' needs.

Inner Cities

The Board has been encouraged by the steady progress of the Government's Action for Cities Initiative both in Manchester and Liverpool. The City Action Teams (CATs) in Manchester/Salford and Liverpool/Birkenhead together with the Merseyside Task Force have continued to promote mainstream programmes in the inner city and to use their 'Special Budgets' to stimulate new initiatives outside the programmes. The Board was pleased to see that partnership has been central to the activity of the CATs with a number of projects involving both private sector and public sector organisations.

Special Budget initiatives have included £60,000 towards the establishment of a Community Business Support Unit, in partnership with Action Resource Centre and Save and Prosper, and £45,000 towards the cost of a business advice centre at Cheetham Hill in partnership with Manchester City Council and Manchester Business Ventures.

Board Membership

During the year Messrs Hague, Higham, George and Lawrence retired from the Board. The Board wishes to record its gratitude to these retiring members,

particularly the former Chairman Geoffrey Hague, who had served the Board as member and Chairman for 15 years. Members noted with pleasure the award of a CBE to Mr Hague in the 1990 New Years Honours.

Four new members—Messrs Billington, Davies, Elliott and Scholes—were welcomed to membership of the Board.

F A RUSSELL
Chairman

Appendices

	<i>Page</i>		<i>Page</i>
1. Sections 11 and 15 of the Industrial Development Act 1982	23	10. Assistance under Section 13 of the Industrial Development Act 1982 and Section 7 of the Local Employment Act 1972	40
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	24	Table: Improvement of basic services in the areas for expansion	
Table 1: Offers by Region		11. Assistance under Section 14 of the Industrial Development Act 1982 and the English Industrial Estates Corporation Act 1981	41
Table 2: Payments by Region		Table 1: Stock of premises managed by English Estates at 31 March 1990	
3. Unemployment Statistics	25	Table 2: Employment in occupied English Estates premises at 31 March 1990	
The unemployed in 1989		Table 3: English Estates premises	
4. Regional Development Grants	26	Table 4: Factory buildings completed during 1989-90	
Note: Description of the Scheme		Table 5: Rent free periods granted during 1989-90	
Original Regional Development Grants:		Table 6: Expenditure and receipts in respect of land and factory buildings in 1989-90	
Table 1: Payments by groups of qualifying activities 1972 to 1989-90		Table 7: Analysis of 1989-90 DTI capital expenditure	
Table 2: Payments by Area in 1989-90		12. Assistance under Section 1 of the Derelict land Act 1982 and Section 8 of the Local Employment Act 1972	44
Table 3: Payments by Area in 1972-73 to 1989-90		Table: Clearance of derelict land	
Revised Regional Development Grants:		13. Assistance under Section 8 of the Industrial Development Act 1982	45
Table 4: Approvals and payments by type of industry;		Table: Summary of applications and offers to 31 March 1990	
Table 5: Approvals and payments by Area		14. Section 8 Investment Support for Major Projects	46
5. Statistics relating to Regional Enterprise Grants	29	Table 1: Applications and offers by Region to 31 March 1990	
Table 1: Offers and payments of Investment Grants to 31 March 1990		Table 2: Offers by type of industry to 31 March 1990	
Table 2: Offers and payments of Innovation Grants to 31 March 1990		15. Assistance for Exceptional Projects	47
Table 3: Offers and payments of total Investment and Innovation Grants to 31 March 1990		Note: Particulars of the measure	
6. Selective Financial Assistance under Section 7 of the Industrial Development Act 1982	30	Table: Applications and offers to 31 March 1990	
Note: General Guidelines for Regional Selective Assistance		16. Small Firms Loan Guarantee Scheme	48
7. Statistics relating to Section 7 of the Industrial Development Act 1982	31	Table 1: Guarantees issued from June 1981 to 31 March 1990 by region and type of industry	
Tables 1-4: Offers and payments by Assisted Area status		Table 2: Guarantees issued from 1 May 1986 to 31 March 1990 by region and type of industry	
Table 5-10: Offers and payments by Region		17. Support for Advanced Manufacturing Technology	49
Table 11: Offers and payments by type of industry		Note: Particulars of the measure	
Table 12: Summary of payments made by financial year		Table: Applications and offers to 31 March 1990 (AMT Installations)	
8. European Regional Development Fund: Specific Measures for Steel, Shipbuilding, Textile and Clothing and Fisheries areas	38	18. Investment Support for Micro-electronics (MISP2)	50
Note: Details of the Specific Measures		Table: Applications and offers to 31 March 1990	
Table 1: Applications and offers to 31 March 1990		19. Investment Support for Fibre Optics and Opto-Electronics	51
Table 2: Areas eligible for support		Table 1: Applications and offers under the Science and Technology Act 1965 to 31 March 1990	
9. Exchange Risk Guarantee Scheme for Loans from the European Coal and Steel Community	39	Table 2: Applications and offers under the Industrial Development Act 1982 to 31 March 1990	
Note: Description of the Scheme			

	<i>Page</i>		<i>Page</i>
20. Support for Implementing Quality Assurance Schemes	52	26. Assistance to Local Enterprise Agencies and Business Clubs	58
Note: Description of the measure		Table: Grants paid in 1989-90	
Table: Applications and offers to 31 March 1990		27. Management Training and Education	59
21. Assistance for the Development of Certification Schemes	53	Table 1: Grants made by the Department of Employment from 1 April 1986 to 31 March 1990	
Note: Description of the measure		Table 2: Grants made by the Department of Trade and Industry from 1 April 1986 to 31 March 1990	
22. Coal Firing Scheme	54	28. The Consultancy Initiatives	60
Note: Description of the measure		Note: Description of the Schemes	
Table: Applications and offers to 31 March 1990		Table 1: Applications to 31 March 1990	
23. Selective Investment Scheme	55	Table 2: Projects approved by Assisted Area and Urban Programme Area to 31 March 1990	
Table: Applications and offers to 31 March 1990		Table 3: Projects approved by Industrial Sector to 31 March 1990	
24. Microelectronics Industry Support Programme (MISP1)	56	Table 4: Projects approved by size of firm to 31 March 1990	
Table 1: Applications and offers under the Industrial Development Act 1982 to 31 March 1990		29. Chairmen and Members of the Industrial Development Advisory Boards and Industrial Development Boards	63
Table 2: Applications and offers under the Science and Technology Act 1965 to 31 March 1990			
25. Assistance to the Shipbuilding Industry	57		
Note: Particulars of the Home Credit Scheme			
Table: Statement of Guarantees to 31 March 1990			

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 and III 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 of 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 31 MARCH 1990 (a)

£ million

Region	Regional Development Grants (b)	Section 8					Totals	
		Section 7		General Investment Measures		Other Measures		
		Grants	Loans/Equity (c)	Grants	Loans/Equity (c)	Grants	Loans/Equity (c)	Grants
Scotland	nil	630.7	54.0	26.3	nil	47.9	758.9	54.0
Wales	nil	516.0	24.5	28.8	nil	14.2	583.5	24.5
North East	nil	383.6	20.2	7.7	0.5	29.0	441.0	20.7
Yorkshire/Humberside	nil	182.1	9.9	22.6	nil	91.2	305.8	9.9
East Midlands	nil	46.0	1.1	17.1	nil	68.7	132.9	1.1
South East	nil	nil	nil	63.2	0.4	176.9	240.5	0.4
South West	nil	61.5	3.6	9.7	nil	53.5	128.3	3.6
West Midlands	nil	145.9	0.1	43.1	0.3	91.7	281.1	0.4
North West	nil	402.8	28.2	34.2	nil	108.5	573.7	28.2
Northern Ireland	nil	nil	nil	nil	nil	6.4	6.4	nil
Mixed	nil	nil	nil	0.6	4.9	0.8	1.4	4.9
Total	nil	2,368.7	141.6	222.3	6.1	688.8	3,453.5	147.7
Of which, in year ended 31.3.90	nil	267.0	nil	5	nil	18.2	433.0	nil

(a) This table summarises assistance described in Appendices 7 and 13 (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 31 MARCH 1990 (a)

£ million

Region	Regional Development Grants (b)	Section 8					Totals	
		Section 7		General Investment Measures		Other Measures		
		Grants	Loans/Equity (c)	Grants	Loans/Equity (c)	Grants	Loans/Equity (c)	Grants
Scotland	1,872.8	376.3	42.0	20.3	nil	35.8	2,347.2	42.0
Wales	1,177.4	284.0	21.5	23.5	nil	8.8	1,515.2	21.5
North East	1,700.4	226.3	18.0	6.8	0.5	19.1	1,971.1	18.5
Yorkshire/Humberside	401.5	132.1	9.2	18.3	nil	68.9	630.0	9.2
East Midlands	80.5	35.3	1.1	16.3	nil	51.5	184.7	1.1
South East	nil	nil	nil	56.9	0.4	129.0	186.3	0.4
South West	123.6	37.9	3.5	8.6	nil	40.8	214.4	3.5
West Midlands	2.7	77.8	0.1	37.8	0.2	61.4	180.0	0.3
North West	1,133.4	290.5	26.8	31.8	nil	82.4	1,564.9	26.8
Northern Ireland	nil	nil	nil	nil	nil	5.6	5.6	nil
Mixed	nil	nil	nil	0.6	4.9	0.5	6.5	4.9
Total	6,492.3	1,460.2	122.2	220.9	6.0	503.8	8,805.4	128.2
Of which, in year ended 31.3.90	237.4	176	nil	2.0	nil	6.6	448.0	nil

(a) This table summarises assistance described in Appendices 4, 7 and 13 (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)

THE UNEMPLOYED IN 1989 (TWELVE MONTHLY AVERAGE FOR THE CALENDAR YEAR)

<i>Region</i>	<i>Number (000)</i>	<i>Per cent</i>
Scotland	234.7	10.7
Development Area	140.7	13.3
Intermediate Area	37.6	12.0
Wales	97.0	9.0
Development Area	38.3	10.2
Intermediate Area	50.6	8.8
North East (b)	141.9	11.5
Development Area	113.1	13.1
Intermediate Area	16.1	10.0
Yorkshire and Humberside	178.8	9.0
Development Area	20.1	12.8
Intermediate Area	90.0	10.4
East Midlands	108.9	6.5
Development Area	1.7	6.1
Intermediate Area	3.4	6.7
East Anglia	35.2	4.4
South East (c)	367.4	4.5
South West	98.1	5.4
Development Area	7.4	12.1
Intermediate Area	15.2	8.6
West Midlands	168.5	7.6
Intermediate Area	137.3	8.8
North West	262.6	9.7
Development Area	118.9	13.6
Intermediate Area	79.1	8.5
All Development Areas	440.2	12.9
All Intermediate Areas	429.3 (d)	9.3
All Other Areas	823.5	5.2
Great Britain	1,693.0	7.1

Notes:

(a) Data are based on numbers of claimants of unemployment related benefit and on Assisted Area boundaries at 29 November 1984. Percentage rates are based on 1989 estimates of employees in employment and the unemployed.

(b) The North East region includes Cumbria for this purpose.

(c) In this table the figures for the South East Region do not include East Anglia.

(d) Small discrepancies in totals are due to rounding.

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.

Original Regional Development Grants

RDGs under the original scheme are made towards approved capital expenditure incurred in providing new buildings and works and on adaptations to existing buildings, and in providing new plant and machinery, on qualifying premises. Qualifying premises are premises used wholly or mainly for qualifying activities. Qualifying activities are the activities described in Orders II to XIX of the 1968 edition of the Standard Industrial Classification, together with certain repair activities, the processing of scrap and waste materials, and scientific research relating to, and the training of staff for work in, any other qualifying activities.

Expenditure on site clearance and other preparation may be included, but the cost of land is not eligible for grant. Vehicles, other than mobile machinery and works vehicles, are not eligible. Grants are not made on pipelines, nor in respect of individual items of plant and machinery costing less than £1,000 except where they are provided on premises where fewer than 100 people are employed, in which case the minimum value is £500. Grants are not made on individual building schemes costing less than £5,000.

The rates of grant are 22 per cent in the Special Development Areas and 15 per cent in the Development Areas as designated as in the Assisted Areas map current on 28 November 1984. Applications have to be received by the relevant Government Department not later than two years after the end of the quarter during which the asset was provided.

The Commencement Orders set out the Transitional Provisions under which grant might continue to be paid after 28 November 1984. The only such provisions still effective in 1989-90 were for grant to be paid on:—

- (a) a building or part of a building which was erected for lease, letting or sale and completed before 29 November 1985, where the purchase by the first owner was also completed, or a first legal lease or tenancy was granted, on or before 28 November 1987; or
- (b) assets provided as part of a project in respect of which application for selective assistance was made before 1 February 1984, and an offer of such assistance was made before 29 November 1984.

In this context selective assistance means assistance under Sections 7 or 8 of the Industrial Development Act 1982, Sections 7 or 8 of the Industry Act 1972, or Section 5

of the Highlands and Islands Development (Scotland) Act 1965, or assistance from the Department of Trade and Industry or its predecessor Departments under Section 5 of the Science and Technology Act 1965.

Revised Regional Development Grants

Under the revised scheme grant is payable towards approved projects of investment in the productive capacity or the productive processes of an undertaking in the Development Areas. The Development Areas for this purpose are those designated in the Assisted Areas Order 1984, as amended, on 21 March 1988, to include the Wards of Silloth and Waver in the Workington Development Area. The 1984 Order did not designate any Special Development Area.

Under the termination arrangements announced on 12 January 1988 the Scheme was closed to new applications received after 31 March 1988 and the availability of grant to certain other projects was restricted. A project is not affected by the Termination Arrangements if either an application for approval was received on or before 12 January 1988 or it was started on or before that date and an application was received not later than 31 March 1988. Any project stated after 12 January 1988, for which an application received after that date and not later than 31 March 1988 is, however, subject to the Transitional Arrangements. Under those, the amount of grant payable according to the project approval letter may not be increased to take account of any modification of the project and grant may not be paid on assets and jobs provided (or if not provided, paid for) more than two years after the date of the letter or on claims received more than three years after the date of the letter.

In order to be eligible for approval a project must create new, or expand existing, productive capacity or effect a material change in the product or service in question, or in the process of producing it. It must also relate wholly or mainly to qualifying activities, and provide assets and/or jobs in Development Areas.

The Qualifying Activities Order 1984 specified the same qualifying as under the original scheme but on the basis of the 1980 rather than the 1968 Standard Industrial Classification, and added various new qualifying activities, mainly in the service sector, including certain computer, mail order and credit card services.

Grant towards approved projects is calculated as the higher of 15 per cent of approved capital expenditure (broadly as under the original scheme) or £3,000 for each net job created in the activities to which the project relates. The approved number of jobs created by a project is expressed in terms of full-time equivalents. It is the number of jobs created by the project in the Development Areas in the undertaking concerned, minus any jobs lost as a direct result of the project in that undertaking in the Development Areas or in Northern Ireland, less also any net jobs losses which so arise in the Intermediate Areas. In the case of projects promoted by undertakings which employ more than 200 people, grant calculated on the basis of capital expenditure is limited to £10,000 for each

net job created. In the case of undertakings which employ 200 or fewer people, the maximum grant calculated on the basis of capital expenditure is £75,000 (15 per cent of £500,000 or £10,000 multiplied by the number of net jobs created, whichever is the higher. Employees of associated undertakings are taken into account in this context. EC obligations limit the amount of job grant payable towards manufacturing projects and certain service projects undertaken by manufacturers to 40 per cent of the initial investment. Some industrial sectors are the subject of specific restrictions imposed by the European Commission affecting the granting of regional aid.

Claims in respect of an approved project need to be submitted not later than 12 months after the date when the project is completed. Where a project is subject to the Transitional Arrangements claims need also to be submitted not later than the day before the third anniversary of the date of the Project Approval Letter.

General

Grant under both the original and revised schemes is tax free and is not treated as reducing capital expenditure which qualifies for tax allowance.

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

£'000

Standard Industrial Classification Orders	1989-90			1972-73 to 1989-90		
	Plant and (a) machinery	Buildings (a) and works	Total	Plant and (a) machinery	Buildings (a) and works	Total
	Grant Paid			Grant Paid		
II Mining and quarrying	0	0	0	107,726	9,615	117,341
III Food drink and tobacco	1,989	407	2,396	426,403	167,580	593,983
IV Coal and petroleum products	62	13	75	442,034	85,667	527,701
V Chemicals and allied industries	2,504	513	3,017	1,115,816	229,497	1,345,313
VI Metal manufacture	295	60	355	581,880	171,299	753,179
VII Mechanical engineering	890	182	1,072	241,038	101,361	342,399
VIII Instrument engineering	83	17	100	40,756	11,179	51,935
IX Electrical engineering	7,117	1,458	8,575	304,302	85,457	389,759
X Shipbuilding and marine engineering	491	100	591	53,576	34,503	88,079
XI Vehicles	19,151	3,923	23,074	247,665	66,028	313,693
XII Metal goods not elsewhere specified	579	118	697	97,187	43,101	140,288
XIII Textiles	38	8	46	95,750	43,069	138,819
XIV Leather, leather goods and fur	11	2	13	5,842	2,924	8,766
XV Clothing and footwear	21	4	25	37,554	15,485	53,039
XVI Bricks, pottery, glass, cement, etc	12	2	14	175,974	52,514	228,488
XVII Timber, furniture, etc	4	1	5	65,179	36,570	101,749
XVIII Paper, printing and publishing	864	177	1,041	226,520	71,895	298,415
XIX Other manufacturing industries	199	41	240	105,337	34,653	139,990
XX Construction	0	0	0	103,595	7,388	110,983
Other	0	0	0	39,781	17,047	56,828
Total	34,310	7,026	41,336	4,513,915	1,286,832	5,800,747

(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 AREA IN 1989-90

£'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	8,415	349	8,765	1,724	72			1,795	10,560
Wales	681	1,622	2,302	139	332			472	2,774
Northern	21,546	129	21,675	4,413	26			4,439	26,114
Yorkshire and Humberside	0	47	47	0	10			10	57
East Midlands	0	110	110	0	23			23	133
South West	19	7	27	4	2			5	32
West Midlands	0	0	0	0	0			0	0
North West	1,316	66	1,383	270	14			283	1,666
Total	31,977	2,331	34,309	6,550	478			7,027	41,336

(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 1989-90

£'000

Area	Plant and machinery (a)			Buildings and works (a)				Total buildings and works	Total plant and machinery and buildings and works
	SDA	DA	Total plant and machinery	SDA	DA	IA	DLCA		
Scotland	741,714	601,059	1,342,774	183,718	141,291	12,660	0	337,668	1,680,442
Wales	367,791	497,342	865,132	71,232	95,859	17,817	0	184,909	1,050,041
Northern	607,503	683,169	1,290,672	135,823	125,189	46	0	261,058	1,551,730
Yorkshire and Humberside	0	172,277	172,277	0	39,166	136,611	0	175,777	348,054
East Midlands	0	26,330	26,330	0	4,847	17,313	3,979	26,139	52,469
South West	9,390	70,557	79,948	2,519	17,325	4,947	0	24,790	104,738
West Midlands	0	0	0	0	0	680	2,013	2,693	2,693
North West	634,870	101,910	736,781	133,032	17,347	123,421	0	273,799	1,010,580
Total	2,361,268	2,152,645	4,513,914	526,324	441,023	313,495	5,992	1,286,833	5,800,747

(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 GRANTS OFFERED IN RELATION TO APPROVED PROJECTS AND PAYMENTS MADE BY TYPE OF INDUSTRY

£'000

Standard Industrial Classification Division (SIC 1980)	1989-90		1984-85(a) to 1989-90	
	Grant in relation to approved projects	Payments	Grant in relation to approved projects	Payments
1. Energy and water supply industries	1,095	406	3,241	1,065
2. Extraction of minerals and ores other than fuels; manufacture of metals, mineral product	8,424	16,480	140,271	63,571
3. Metal goods, engineering and vehicle industries	36,779	62,876	532,747	240,286
4. Other manufacturing industries	26,015	67,281	562,363	299,608
7. Transport and communications	48	965	13,222	8,257
8. Banking, finance, insurance, business services and leasing	1,242	7,102	73,634	44,522
9. (i) Industrial research and development in specialised research establishments only	0	9	2,951	253
(ii) Football pools only	0	0	84	24
Other	3,563	7,476	63,724	34,011
Total	77,166	162,595	1,392,237	691,597

(a) From 29 November 1984

TABLE 5 REVISED REGIONAL DEVELOPMENT GRANTS: VALUE OF GRANTS IN RELATION TO APPROVED PROJECTS AND PAYMENTS MADE BY AREA

£'000

Area	1989-90		1984-85 (a) to 1989-90	
	Grant in relation to approved projects	Payments	Grant in relation to approved projects	Payments
Scotland	48,469	48,839	414,962	192,374
Wales	9,828	26,890	259,580	127,394
North East	15,462	37,635	275,408	148,636
North West	1,671	27,985	239,305	122,859
Yorkshire and Humberside	1,512	9,720	96,187	53,404
East Midlands	176	8,018	74,205	28,026
South West	48	3,508	32,590	18,904
Total	77,166	162,595	1,392,237	691,597

(a) From 29 November 1984

APPENDIX 5

Regional Enterprise Grants**Applications Received, Offers Accepted and Payments Made: 1 April 1989 to 31 March 1990**

1. INVESTMENT GRANTS

<i>Region</i>	<i>Applications</i>		<i>Offers Accepted</i>		<i>Payments</i>
	<i>Number</i>	<i>Project Costs (£'000)</i>	<i>Number</i>	<i>Offer Value (£'000)</i>	<i>(£'000)</i>
Scotland	517	31,292	305	2,023	778
Wales	328	18,292	246	1,645	654
North East	679	31,604	554	2,874	1,557
Yorkshire/Humberside	405	30,891	261	2,153	1,113
East Midlands	36	2,396	25	221	225
South West	207	9,442	149	824	361
North West	482	30,185	322	2,375	1,195
Total	2,654	154,102	1,862	12,115	5,883

2. INNOVATION GRANTS

<i>Region</i>	<i>Applications</i>		<i>Offers Accepted</i>		<i>Payments</i>
	<i>Number</i>	<i>Project Costs (£'000)</i>	<i>Number</i>	<i>Offer Value (£'000)</i>	<i>(£'000)</i>
Scotland	156	13,503	89	2,029	690
Wales	87	11,354	46	977	290
North East	110	17,125	56	1,070	585
Yorkshire/Humberside	95	26,219	34	768	241
East Midlands	16	5,274	11	246	63
South West	13	1,146	12	195	86
North West	79	8,893	40	854	252
Total	556	83,514	288	6,139	2,207

3. TOTAL INVESTMENT AND INNOVATION GRANTS

<i>Region</i>	<i>Applications</i>		<i>Offers Accepted</i>		<i>Payments</i>
	<i>Number</i>	<i>Project Costs (£'000)</i>	<i>Number</i>	<i>Offer Value (£'000)</i>	<i>(£'000)</i>
Scotland	673	44,795	394	4,052	1,468
Wales	415	29,646	292	2,622	944
North East	789	48,729	610	3,944	2,142
Yorkshire/Humberside	500	57,110	295	2,921	1,354
East Midlands	52	7,670	36	467	288
South West	220	10,588	161	1,019	447
North West	561	39,078	362	3,229	1,447
Total	3,210	237,616	2,150	18,254	8,090

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

TABLE 1 GREAT BRITAIN: CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1989 TO 31 MARCH 1990

	<i>Offers accepted 1.4.89 to 31.3.90</i>					<i>Cumulative offers accepted to 31 March 1990</i>					
	<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment New Safeguarded</i>		<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment New Safeguarded</i>		<i>Total Payments (£'000)</i>
<i>Special Development Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	206	66,277				61,287
Old Criteria Grants	nil	nil	nil	nil	nil	1,818	276,324	6,798,443	242,097	131,779	239,168
OSIS Grants	nil	nil	nil	nil	nil	494	35,240				21,147
Project Grants	nil	nil	nil	nil	nil	1,409	349,001				257,119
Training Grants	nil	nil	nil	nil	nil	81	37,993				25,607
Total Grants	nil	nil	nil	nil	nil	3,802	698,558	6,798,443	242,097	131,779	543,041
<i>Development Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	130	35,823				34,970
Old Criteria Grants	nil	nil	nil	nil	nil	1,239	84,910	9,820,127	226,967	106,315	71,565
OSIS Grants	nil	nil	nil	nil	nil	345	26,541				18,992
Project Grants	643	185,719	1,768,858	23,217	6,132	3,330	821,373				391,541
Training Grants	nil	nil	nil	nil	nil	65	18,470				15,100
Total Grants	643	185,719	1,768,858	23,217	6,132	4,979	951,294	9,820,127	226,967	106,315	497,198
<i>Intermediate Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	151	39,232				34,969
Old Criteria Grants	nil	nil	nil	nil	nil	2,387	118,754	7,969,344	289,734	146,277	103,854
OSIS Grants	nil	nil	nil	nil	nil	402	18,171				14,183
Project Grants	902	79,429	810,280	19,842	7,305	5,726	569,479				293,914
Training Grants	nil	nil	nil	nil	nil	29	12,458				7,959
Total Grants	902	79,429	810,280	19,842	7,305	8,544	718,862	7,969,344	289,734	146,277	419,910
<i>All Assisted Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	487	141,332				131,226
											(a) 84,397
Old Criteria Grants	nil	nil	nil	nil	nil	5,444	479,988	24,587,914	758,798	384,371	414,587
OSIS Grants	nil	nil	nil	nil	nil	1,241	79,952				54,322
Project Grants	1,545	265,148	2,579,138	43,059	13,437	10,465	1,739,853				942,574
Training Grants	nil	nil	nil	nil	nil	175	68,921				48,666
Total Grants	1,545	265,148	2,579,138	43,059	13,437	17,325	2,368,714	24,587,914	758,798	384,371	1,460,149

Old Criteria Grants include Interest Relief and Removal Grants. OSIS = Office and Service Industries Scheme

(a) Repayment of loans

TABLE 2 SCOTLAND: CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1989 TO 31 MARCH 1990

	<i>Offers accepted 1.4.89 to 31.3.90</i>					<i>Cumulative offers accepted to 31 March 1990</i>					
	<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>		<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>		<i>Total Payments (£'000)</i>
				<i>New</i>	<i>Safeguarded</i>				<i>New</i>	<i>Safeguarded</i>	
<i>Special Development Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	78	29,382				27,568
Old Criteria Grants	nil	nil	nil	nil	nil	594	77,812	2,479,127	92,688	33,324	62,505
OSIS Grants	nil	nil	nil	nil	nil	111	10,488				5,103
Project Grants	nil	nil	nil	nil	nil	503	127,269				96,407
Training Grants	nil	nil	nil	nil	nil	33	29,729				19,741
Total Grants	nil	nil	nil	nil	nil	1,241	245,298	2,479,127	92,688	33,324	183,756
<i>Development Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	45	20,950				20,615
Old Criteria Grants	nil	nil	nil	nil	nil	470	41,115	3,358,796	68,212	40,453	32,583
OSIS Grants	nil	nil	nil	nil	nil	21	1,808				1,542
Project Grants	183	64,429	465,198	8,274	2,023	777	235,762				102,425
Training Grants	nil	nil	nil	nil	nil	16	9,503				7,780
Total Grants	183	64,429	465,198	8,274	2,023	1,284	288,188	3,358,796	68,212	40,453	144,330
<i>Intermediate Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	5	3,490				2,990
Old Criteria Grants	nil	nil	nil	nil	nil	51	11,613	1,016,135	19,997	17,073	11,401
OSIS Grants	nil	nil	nil	nil	nil	27	2,494				1,394
Project Grants	45	11,731	188,076	2,199	1,770	370	82,074				34,322
Training Grants	nil	nil	nil	nil	nil	3	1,050				1,050
Total Grants	45	11,731	188,076	2,199	1,770	451	97,231	1,016,135	19,997	17,073	48,167
<i>All Assisted Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	128	53,822				51,173
											(a) 19,384
Old Criteria Grants	nil	nil	nil	nil	nil	1,115	130,540	6,854,058	180,897	90,850	106,489
OSIS Grants	nil	nil	nil	nil	nil	159	14,790				8,039
Project Grants	228	76,160	653,274	10,473	3,793	1,650	445,105				233,154
Training Grants	nil	nil	nil	nil	nil	52	40,282				28,571
Total Grants	228	76,160	653,274	10,473	3,793	2,976	630,717	6,854,058	180,897	90,850	376,253

Old Criteria Grants include Interest Relief and Removal Grants. OSIS = Office and Service Industries Scheme
(a) Repayment of loans

TABLE 3 WALES: CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1989 TO 31 MARCH 1990

	<i>Offers accepted 1.4.89 to 31.3.90</i>					<i>Cumulative offers accepted to 31 March 1990</i>						
	<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>		<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>		<i>Total Payments (£'000)</i>	
				<i>New</i>	<i>Safeguarded</i>				<i>New</i>	<i>Safeguarded</i>		
<i>Special Development Areas</i>												
Loans/Equity	nil	nil	nil	nil	nil	46	7,410				7,210	
Old Criteria Grants	nil	nil	nil	nil	nil	290	66,160	1,415,592	43,652	10,091	59,014	
OSIS Grants	nil	nil				45	3,452				1,777	
Project Grants	nil	nil	nil	nil	nil	280	67,832				42,820	
Training Grants	nil	nil				8	2,223				2,001	
Total Grants	nil	nil	nil	nil	nil	623	139,667	1,415,592	43,652	10,091	105,612	
<i>Development Areas</i>												
Loans/Equity	nil	nil	nil	nil	nil	47	7,566				7,419	
Old Criteria Grants	nil	nil	nil	nil	nil	273	15,199	1,971,772	57,021	28,140	13,601	
OSIS Grants	nil	nil				128	9,831				6,800	
Project Grants	80	39,820	262,514	4,011	1,683	678	206,671				99,244	
Training Grants	nil	nil				9	3,504				3,244	
Total Grants	80	39,820	262,514	4,011	1,683	1,088	235,205	1,971,772	57,021	28,140	122,889	
<i>Intermediate Areas</i>												
Loans/Equity	nil	nil	nil	nil	nil	27	9,521				6,856	
Old Criteria Grants	nil	nil	nil	nil	nil	143	9,057	1,749,737	34,803	15,925	8,478	
OSIS Grants	nil	nil				53	1,577				1,120	
Project Grants	110	21,906	184,615	4,157	1,810	556	130,091				45,619	
Training Grants	nil	nil				2	473				308	
Total Grants	110	21,906	184,615	4,157	1,810	754	141,198	1,749,737	34,803	15,925	55,525	
<i>All Assisted Areas</i>												
Loans/Equity	nil	nil	nil	nil	nil	120	24,497				21,485	
											(a) 19,609	
Old Criteria Grants	nil	nil	nil	nil	nil	706	90,416	5,137,101	135,476	54,156	81,093	
OSIS Grants	nil	nil				226	14,860				9,697	
Project Grants	190	61,726	447,129	8,168	3,493	1,514	404,594				187,683	
Training Grants	nil	nil				19	6,200				5,553	
Total Grants	190	61,726	447,129	8,168	3,493	2,465	516,070	5,137,101	135,476	54,156	284,026	

Old Criteria Grants include Interest Relief and Removal Grants. OSIS = Office and Service Industries Scheme.

(a) Repayment of loans

TABLE 4 ENGLAND: CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1989 TO 31 MARCH 1990

	Offers accepted 1.4.89 to 31.3.90					Cumulative offers accepted to 31 March 1990					
	Number	Value (£'000)	Associated Project Costs (£'000)	Estimated Employment New Safeguarded		Number	Value (£'000)	Associated Project Costs (£'000)	Estimated Employment New Safeguarded	Total Payments (£'000)	
<i>Special Development Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	82	29,485			26,509	
Old Criteria Grants	nil	nil	nil	nil	nil	934	132,352	2,903,724	105,757	88,364	117,649
OSIS Grants	nil	nil	nil	nil	nil	338	21,300				14,267
Project Grants	nil	nil	nil	nil	nil	626	153,900				117,892
Training Grants	nil	nil	nil	nil	nil	40	6,041				3,865
Total Grants	nil	nil	nil	nil	nil	1,938	313,593	2,903,724	105,757	88,364	253,673
<i>Development Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	38	7,307				6,936
Old Criteria Grants	nil	nil	nil	nil	nil	496	28,596	4,489,559	101,734	37,722	25,381
OSIS Grants	nil	nil	nil	nil	nil	196	14,902				10,650
Project Grants	380	81,470	1,041,146	10,932	2,426	1,875	378,940				189,872
Training Grants	nil	nil	nil	nil	nil	40	5,463				4,076
Total Grants	380	81,470	1,041,146	10,932	2,426	2,607	427,901	4,489,559	101,734	37,722	229,979
<i>Intermediate Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	119	26,221				25,123
Old Criteria Grants	nil	nil	nil	nil	nil	2,193	98,084	5,203,472	234,934	113,279	83,975
OSIS Grants	nil	nil	nil	nil	nil	322	14,100				11,669
Project Grants	747	45,792	437,589	13,486	3,725	4,800	357,314				213,973
Training Grants	nil	nil	nil	nil	nil	24	10,935				6,601
Total Grants	747	45,792	437,589	13,486	3,725	7,339	480,433	5,203,472	234,934	113,279	316,218
<i>All Assisted Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	239	63,013				58,568
											(a) 45,404
Old Criteria Grants	nil	nil	nil	nil	nil	3,623	259,032	12,596,755	442,425	239,365	227,005
OSIS Grants	nil	nil	nil	nil	nil	856	50,302				36,586
Project Grants	1,127	127,262	1,478,735	24,418	6,151	7,301	890,154				521,737
Training Grants	nil	nil	nil	nil	nil	104	22,439				14,542
Total Grants	1,127	127,262	1,478,735	24,418	6,151	11,884	1,221,927	12,596,755	442,425	239,365	799,870

Old Criteria Grants include Interest Relief and Removal Grants. OSIS = Office and Service Industries Scheme
(a) Repayment of loans

TABLE 5 NORTH EASTERN: CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1989 TO 31 MARCH 1990

	Offers accepted 1.4.89 to 31.3.90					Cumulative offers accepted to 31 March 1990					
	Number	Value (£'000)	Associated Project Costs (£'000)	Estimated Employment New Safeguarded		Number	Value (£'000)	Associated Project Costs (£'000)	Estimated Employment New Safeguarded	Total Payments (£'000)	
Loans/Equity	nil	nil	nil	nil	nil	68	20,224			17,990	
										(a) 17,421	
Old Criteria Grants	nil	nil	nil	nil	nil	688	59,293	4,382,649	117,597	55,692	51,476
OSIS Grants	nil	nil	nil	nil	nil	196	13,162				8,367
Project Grants	253	66,238	878,255	8,322	657	1,482	304,447				161,560
Training Grants	nil	nil	nil	nil	nil	54	6,716				4,912
Total Grants	253	66,238	878,255	8,322	657	2,420	383,618	4,382,649	117,597	55,692	226,315

Old Criteria Grants include Interest Relief and Removal Grants. OSIS = Office and Service Industries Scheme
(a) Repayment of loans

TABLE 6 YORKSHIRE AND HUMBERSIDE: CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1989 TO 31 MARCH 1990

	<i>Offers accepted 1.4.89 to 31.3.90</i>					<i>Cumulative offers accepted to 31 March 1990</i>					
	<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment New Safeguarded</i>		<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment New Safeguarded</i>		<i>Total Payments (£'000)</i>
Loans/Equity	nil	nil	nil	nil	nil	57	9,913				9,186
											(a) 7,812
Old Criteria Grants	nil	nil	nil	nil	nil	962	36,407	2,071,656	96,393	39,662	31,691
OSIS Grants	nil	nil				203	9,189				7,397
Project Grants	135	13,472	168,584	3,471	1,681	1,130	131,323				89,807
Training Grants	nil	nil				9	5,157				3,157
Total Grants	135	13,472	168,584	3,471	1,681	2,304	182,076	2,071,656	96,393	39,662	132,052

Old Criteria Grants include Interest Relief and Removal Grants. OSIS = Office and Service Industries Scheme
(a) Repayment of loans

TABLE 7 EAST MIDLANDS: CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1989 TO 31 MARCH 1990

	<i>Offers accepted 1.4.89 to 31.3.90</i>					<i>Cumulative offers accepted to 31 March 1990</i>					
	<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment New Safeguarded</i>		<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment New Safeguarded</i>		<i>Total Payments (£'000)</i>
Loans/Equity	nil	nil	nil	nil	nil	17	1,063				1,057
											(a) 965
Old Criteria Grants	nil	nil	nil	nil	nil	263	5,184	389,362	29,233	1,617	4,706
OSIS Grants	nil	nil				53	10,174				7,730
Project Grants	26	841	12,836	368	125	377	29,974				22,267
Training Grants	nil	nil				8	667				558
Total Grants	26	841	12,836	368	125	701	45,999	389,362	29,233	1,617	35,261

Old Criteria Grants include Interest Relief and Removal Grants. OSIS = Office and Service Industries Scheme
(a) Repayment of loans

TABLE 8 SOUTH WEST: CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1989 TO 31 MARCH 1990

	<i>Offers accepted 1.4.89 to 31.3.90</i>					<i>Cumulative offers accepted to 31 March 1990</i>					
	<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment New Safeguarded</i>		<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment New Safeguarded</i>		<i>Total Payments (£'000)</i>
Loans/Equity	nil	nil	nil	nil	nil	27	3,557				3,491
											(a) 3,144
Old Criteria Grants	nil	nil	nil	nil	nil	243	11,310	580,169	25,229	5,634	9,838
OSIS Grants	nil	nil				35	1,309				836
Project Grants	74	11,399	87,202	2,160	265	348	46,889				26,192
Training Grants	nil	nil				5	1,945				1,079
Total Grants	74	11,399	87,202	2,160	265	631	61,453	580,169	25,229	5,634	37,945

Old Criteria Grants include Interest Relief and Removal Grants. OSIS = Office and Service Industries Scheme
(a) Repayment of loans

TABLE 9 WEST MIDLANDS: CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1989 TO 31 MARCH 1990

	<i>Offers accepted 1.4.89 to 31.3.90</i>					<i>Cumulative offers accepted to 31.3.90</i>					
	<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment New Safeguard</i>		<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment New Safeguard</i>		<i>Total Payments (£'000)</i>
Loans/Equity	nil	nil	nil	nil	nil	1	60				60
Old Criteria Grants	nil	nil	nil	nil	nil	13	727	1,412,953	44,837	22,210	721
OSIS Grants	nil	nil	nil	nil	nil	nil	nil				nil
Project Grants	346	17,410	179,875	6,356	1,773	2,012	141,548				74,042
Training Grants	nil	nil				7	3,674				3,053
Total Grants	346	17,410	179,875	6,356	1,773	2,032	145,949	1,412,953	44,837	22,210	77,816

Old Criteria Grants include Interest Relief and Removal Grants OSIS=Office and Service Industries Scheme.

(a) Repayment of loans

TABLE 10 NORTH WEST: CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1989 TO 31 MARCH 1990

	<i>Offers accepted 1.4.89 to 31.3.90</i>					<i>Cumulative offers accepted to 31.3.90</i>					
	<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment New Safeguard</i>		<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment New Safeguard</i>		<i>Total Payments (£'000)</i>
Loans/Equity	nil	nil	nil	nil	nil	69	28,196				26,784
Old Criteria Grants	nil	nil	nil	nil	nil	1,454	146,111	3,759,966	129,136	114,550	128,573
OSIS Grants	nil	nil	nil	nil	nil	369	16,468				12,256
Project Grants	293	17,902	151,983	3,741	1,650	1,952	235,973				147,869
Training Grants	nil	nil				21	4,280				1,783
Total Grants	293	17,902	151,983	3,741	1,650	3,796	402,832	3,759,966	129,136	114,550	290,481

Old Criteria Grants include Interest Relief and Removal Grants. OSIS=Office and Service Industries Scheme

(a) Repayment of loans

TABLE 11 CUMULATIVE OFFERS AND PAYMENTS BY TYPE OF INDUSTRY TO 31 MARCH 1990 (a)

<i>Standard Industrial classification (SIC) 1980</i>	<i>Loans/Equity</i>		<i>Old Criteria Grants</i>		<i>Project Grants</i>		<i>Training Grants</i>		<i>Payments Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>	
	<i>Number</i>	<i>Value (£'000)</i>	<i>Number</i>	<i>Value (£'000)</i>	<i>Number</i>	<i>Value (£'000)</i>	<i>Number</i>	<i>Value (£'000)</i>			<i>New</i>	<i>Safe</i>
0 Agriculture, forestry and fishing	1	25	10	141	34	1,350	nil	nil	868	11,301	530	168
1 Energy and water supply industries	1	100	17	306	47	6,817	1	300	3,823	68,321	1,497	700
2 Extraction of minerals fuels; manufacture of metals, mineral products and chemicals	56	19,921	752	62,119	1,252	255,541	16	3,765	228,653	4,470,440	74,214	60,960
3 Metal goods, engineering and vehicles industries	221	73,588	2,215	294,423	4,112	897,559	94	55,655	810,310	12,542,326	359,195	209,719
4 Other manufacturing industries	201	46,846	2,315	119,776	4,072	494,140	62	9,111	454,825	6,430,202	256,636	109,377
5 Construction	3	543	52	1,105	107	4,350	nil	nil	4,311	67,326	5,324	97
6 Distribution, hotels and catering; repairs	3	229	44	982	317	25,753	1	40	13,209	286,717	9,353	1,931
7 Transport and communication	nil	nil	8	284	91	11,840	nil	nil	4,550	176,825	3,900	197
8 Banking, finance insurance, business services and leasing	1	80	26	725	313	33,003	1	51	12,048	282,172	10,714	686
9 Other services	nil	nil	5	127	120	9,500	nil	nil	4,457	65,475	2,151	422
Total	487	141,332	5,444	479,988	10,465	1,739,853	175	68,922	1,537,054	24,401,105	723,514	384,257

(a) Excluding Office and Service Industries Scheme

TABLE 12 PAYMENTS MADE BY FINANCIAL YEAR FOR GREAT BRITAIN

£'000

<i>Financial Year</i>	<i>Loans/ Equity</i>	<i>Old Criteria Grants</i>	<i>Project Grants</i>	<i>Training Grants</i>	<i>OSIS Grants</i>	<i>Total</i>
1972-73	248	54	nil	nil	nil	302
1973-74	19,924	3,173	18	nil	nil	23,115
1974-75	20,210	14,850	3	nil	190	35,253
1975-76	43,867	21,933	18	nil	1,017	66,835
1976-77	21,514	20,037	23	nil	1,641	43,215
1977-78	16,090	32,617	nil	nil	2,144	50,851
1978-79	5,325	95,981	18	nil	3,105	104,429
1979-80	3,900	73,777	1,507	nil	3,423	82,607
1980-81	100	61,688	10,039	23	5,327	77,177
1981-82	36	42,761	28,431	1,826	3,899	76,953
1982-83	12	28,006	55,580	2,532	5,348	91,478
1983-84	nil	9,539	64,809	5,357	9,575	89,280
1984-85	nil	3,390	81,357	6,122	7,485	98,354
1985-86	nil	3,388	97,516	13,811	4,968	119,683
1986-87	nil	1,031	114,235	8,066	2,447	125,779
1987-88	nil	913	140,455	6,093	2,408	149,869
1988-89	nil	1,449	176,038	1,988	1,345	180,820
1989-90	nil	nil	172,527	2,849	nil	175,376
Total	131,226	414,587	942,574	48,667	54,322	1,591,376

Old Criteria Grants include Interest Relief and Removal Grants
OSIS = Office and Service Industries Scheme

APPENDIX 8

European Regional Development Fund (ERDF): specific measures for Steel, Shipbuilding, Textile and Clothing, and Fisheries Areas

The total of £62.4 million ERDF and UK contribution which has been made available is allocated as follows:

Region	£ million
Scotland	7.7
Wales	7.5
North East	6.6
Yorkshire and Humberside	17.1
East Midlands	2.1
North West	21.4
Total	62.4

Better Business Services in Scotland provides nine consultancy services to help small firms with their business performance. The Scottish Better Technical Services provide five services to help small firms to innovate.

Business Improvement Services in Wales and England is intended to help small firms with most stages of their growth and development from identifying new products, through market research and consultancy advice, to the purchase of fixed assets. Help can also be given with the provision of common services for groups of small firms.

TABLE 1 APPLICATIONS AND OFFERS TO 31 MARCH 1990—ERDF SPECIFIC MEASURES

Region	Applications		Offers			
	Number	Project Costs (£'000)	Number	Project Costs (£'000)	Assistance Offered (£'000)	Payments (£'000)
Scotland	21,747	14,432	17,941	16,794	11,244	10,290
Wales	4,300	39,461	3,425	20,601	10,000	9,502
North East	2,620	31,427	1,541	19,813	8,151	6,871
Yorkshire and Humberside	3,692	104,539	3,548	72,382	25,832	22,473
East Midlands	696	9,280	351	3,980	2,026	1,635
North West	5,152	114,814	2,786	62,250	19,035	17,714
Total	38,207	319,953	29,592	195,820	76,288	68,505

NB The Specific Measures closed to operate with effect from 31 March 1989, but payments to applicants under existing offers have continued

TABLE 2 AREAS ELIGIBLE FOR SUPPORT UNDER ERDF SPECIFIC MEASURES (a)

Steel Areas	Shipbuilding Areas	Textile Areas	Fisheries Areas
Strathclyde	Strathclyde	Assisted Areas of Tayside	Grimsby TTWA
Cleveland	Cleveland	The following areas in West Yorkshire:	Hull TTWA
Clwyd	Tyne and Wear	Bradford TTWA	Blackpool TTWA
South Glamorgan		Dewsbury TTWA	
West Glamorgan (including those parts of Port Talbot TTWA(b) located in Mid Glamorgan)	Merseyside	Halifax TTWA	
		Huddersfield TTWA	
		Keighley TTWA	
		Todmarden TTWA	
Gwent		The following areas in Lancashire:	
Corby TTWA		Accrington TTWA	
Llanelli TTWA		Blackburn TTWA	
		Burnley TTWA	
		Lancaster TTWA	
		Nelson TTWA	
		Rosendale TTWA	
Assisted Areas in Durham (including parts of Consett TTWA located in Northumberland and Tyne and Wear)		The following areas of Greater Manchester:	
		Ashton-under-Lyne TTWA	
Assisted Areas in Humberside (including parts of Scunthorpe TTWA located in Lincolnshire)		Bolton TTWA	
		Bury TTWA	
		Leigh TTWA	
		Oldham TTWA	
South Yorkshire (including Sheffield TTWA)		Rochdale TTWA	
		Wigan TTWA	

(a) Assisted Areas as defined on 1 February 1984 by the Department of Trade and Industry

(b) TTWA = Travel-to-Work Area, as defined on 1 February 1984 by the Department of Employment. Eligibility of the above area for ERDF aids is set out in European Community Council Regulations and is not affected by that Department's 1984 review of Travel-To-Work Area boundaries, nor by the Department of Trade and Industry's 1984 review of Assisted Areas

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

The Exchange Risk Guarantee Scheme was first introduced in January 1978 and was originally designed to encourage private firms in the 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). In 1985 exchange risk cover was restricted to ECSC loans 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 54 of the Treaty of Paris for projects which contribute directly to improving efficiency, productivity or marketing in the coal and steel industries and under Article 56 of the Treaty for projects in most sectors of industry which provide new employment opportunities in coal or steel closure areas. Both forms of lending are 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 three per cent per annum may be paid over the first five years of the loan.

Size of Loans

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

The normal minimum loan is £3 million but smaller loans down to a minimum of £5,000 are available through 3i plc, most major clearing Banks and the Scottish and Welsh Development Agencies which have global loan agreements with ECSC. Loans involving sums of more than £3 million are negotiated directly with ECSC.

Progress of the Scheme

In 1989-90 funds worth £130 million were provided for use by ECSC agents, helping to create an estimated 11,200 jobs.

APPENDIX 10

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

TABLE 1 IMPROVEMENT OF BASIC SERVICES IN THE AREA FOR EXPANSION

<i>Department</i>	<i>Service</i>	<i>Applications</i>					<i>Applications approved</i>			
		<i>Brought forward from 1988-89</i>	<i>Received in 1989-90</i>	<i>Rejected</i>	<i>Withdrawn</i>	<i>Under consideration</i>	<i>Number</i>	<i>Estimated cost (£'000)</i>	<i>Estimated grant (£'000)</i>	
Department of Environment	Sewerage	31	20	nil	nil	33	18	2,032	387	
	Water Supply	17	10	nil	nil	13	14	2,331	375	
Department of Transport	Roads	14	30	2	1	12	29	15,505	3,731	
Scottish Development Department	Roads	nil	2	nil	nil	2	nil	nil	nil	
	Sewerage	5	5	nil	nil	8	2	63	11	
	Water Supply	4	4	nil	nil	7	1	10	2	
Welsh Office	Roads	6	18	nil	nil	14	10	2,242	540	
	Water Supply	13	6	nil	nil	13	6	124	27	
	Sewerage	10	2	nil	1	5	6	3,715	361	
Department of Energy	Gas/Electricity	nil	1	1	nil	nil	nil	nil	nil	
Total		100	98	3	2	107	86	26,022	5,434	

(a) No applications were brought forward from 1988-89 nor were any new applications received in respect of the Welsh Office (Land Drainage)

APPENDIX 11

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 MARCH 1990

Region	Status of area (a)	Leasable Stock							
		Total		Occupied		Vacant		Under Construction (b)	
		units	area m ²	units	area m ²	units	area m ²	units	area m ²
North East	AA	2,014	933,046	1,794	862,427	220	70,619	88	46,062
	NAA	148	38,506	125	34,295	23	4,211	9	1,508
North West	AA	1,608	376,516	1,406	333,286	202	43,230	39	15,017
	NAA	423	135,171	361	121,588	62	13,583	13	2,496
Yorkshire and Humberside	AA	663	170,597	597	155,152	66	15,445	22	10,643
	NAA	292	50,532	286	49,882	6	660	18	1,750
East Midlands	AA	35	8,922	27	6,738	8	2,184	0	0
	NAA	304	58,888	284	55,916	20	2,972	22	2,716
West Midlands	AA	49	9,233	48	9,098	1	135	0	0
	NAA	221	33,163	217	32,687	4	476	7	1,483
South West	AA	506	86,871	437	75,427	69	11,444	0	0
	NAA	349	50,247	322	47,113	27	3,134	16	2,604
South East	NAA	297	46,751	273	43,641	24	3,110	20	2,878
	Total	6,909	1,998,443	6,177	1,827,250	732	171,193	254	87,157

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

(b) Under Construction includes Extensions and Custom Built Premises

TABLE 2 EMPLOYMENT IN OCCUPIED ENGLISH ESTATES PREMISES (POSITION AT YEAR ENDING 31 MARCH 1990)

Region	1989	1990
	Total	Total
North East	37,126	38,035
North West	16,239	18,316
Yorkshire and Humberside	6,648	7,390
East Midlands	1,442	1,428
West Midlands	2,118	2,193
South West	5,112	5,155
South East	2,185	2,206
Total Leased	70,870	74,723
Sold by English Estates or privately built on English Estates Land	84,241	100,093
Total	155,111	174,816

TABLE 3 ENGLISH ESTATES: PREMISES

Region	Status of area (a)	Occupied during 1989-90		Vacated during 1989-90		Reserved Vacant at 31 March 1990		Available for letting at 31 March Vacant—Res. Vacant		Vacancy rate
		units	area m ²	units	area m ²	units	area m ²	units	area m ²	
North East	AA	433	83,672	383	96,672	47	27,153	173	43,466	4.6
	NAA	51	8,895	23	4,005	12	2,424	11	1,787	4.6
North West	AA	279	51,433	225	35,175	60	15,208	142	28,022	7.4
	NAA	76	10,495	73	14,947	26	9,852	36	3,731	2.7
Yorkshire and Humberside	AA	214	32,138	139	16,650	13	5,878	53	9,567	5.6
	NAA	34	3,211	25	2,269	0	0	6	650	1.2
East Midlands	AA	6	568	8	709	0	0	8	2,184	24.4
	NAA	70	7,869	63	7,188	0	0	20	2,972	5.0
West Midlands	AA	3	360	5	589	1	135	0	0	0
	NAA	34	4,693	19	2,234	1	111	3	365	1.1
South West	AA	135	14,919	121	12,958	2	1,076	67	10,368	11.9
	NAA	63	6,303	53	4,824	5	650	22	2,484	4.9
South East East Anglia	NAA	52	6,457	44	5,182	5	800	19	2,310	4.9
Total		1,450	231,013	1,181	203,402	172	63,287	561	107,906	5.3

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

TABLE 4 FACTORY BUILDING COMPLETED 1989-90

Area Status (a)	Advance Factories						Total		
	Department of Trade and Industry		Rural Development Commission		Extensions and Custom Built		units	m ²	
	units	m ²	units	m ²	units	m ²			
North East	AA	57	32,981	4	466	2	898	63	34,345
	NAA	0	0	0	0	0	0	0	0
North West	AA	91	42,809	0	0	0	0	91	42,809
	NAA	0	0	7	1,701	0	0	7	1,701
Yorkshire and Humberside	AA	62	21,405	2	464	0	0	64	21,869
	NAA	0	0	0	0	2	1,042	2	1,042
East Midlands	AA	6	2,043	0	0	0	0	6	2,043
	NAA	0	0	10	1,021	0	0	10	1,021
West Midlands	AA	0	0	0	0	0	0	0	0
	NAA	0	0	2	464	0	0	2	464
South West	AA	34	6,433	25	1,813	0	0	59	8,246
	NAA	0	0	9	1,392	0	0	9	1,392
South East	AA	0	0	0	0	0	0	0	0
	NAA	0	0	6	836	0	0	6	836
Total		250	105,671	65	8,157	4	1,940	319	115,768

AA — Assisted Area; NAA — Non-Assisted Area

TABLE 5 RENT FREE PERIODS GRANTED BY ENGLISH ESTATES DURING 1989-90

Region	Number	Value £
North	3	189,000.00
North West	3	26,638.50
Yorkshire and Humberside	1	87.00
East Midlands	0	0
West Midlands	0	0
South West	2	8,904.39
South East	0	0
Total	9	224,629.89

TABLE 6 EXPENDITURE AND RECEIPTS IN RESPECT OF LAND AND FACTORY BUILDINGS IN 1989-90

	<i>£'000</i>
<i>Expenditure (a)</i>	
Land Acquisition	2,150
Cost of works and modernisation of factories	44,122
	<u>46,272</u>
<i>Receipts</i>	
Net Rents (b)	13,134
Cash sales of land and buildings	32,159
Capital instalments of credit sales of land and buildings	306
Interest in respect of credit sales	236
other capital receipts	1,184
	<u>47,019</u>
Capital expenditure funded by the Rural Development Commission (c)	10,573

(a) Includes £3.63 million capital expenditure at Chatham and £0.29 on Managed Workspace initiatives.

(b) Excludes £3.46 million net rents and £4.57 million capital receipts in respect of R.D.C. properties.

(c) In respect of 100 per cent programme, 50:50 schemes are excluded.

TABLE 7 ANALYSIS OF 1989-90 DTI CAPITAL EXPENDITURE (includes Chatham and Managed Workspace)

<i>Region</i>	<i>Expenditure (£'000s)</i>
North East	17,301
North West	13,012
South West	2,141
Yorkshire and Humberside	9,950
West Midlands	86
East Midlands	150
South East	3,631
Total	<u>46,272</u>

APPENDIX 12

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 1988-89</i>	<i>1989-90</i>		<i>Applications</i>			<i>Applications approved (b)</i>			<i>Applications outstanding at 31 March (c)</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 (d) (Hectares)</i>						
491	489	35	115	65	417	1,268	33,235	28,690	463

(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) includes schemes where grant approval has been given in principle

(d) Where known

APPENDIX 13

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

TABLE SUMMARY OF APPLICATIONS AND OFFERS TO 31 MARCH 1990

	Date of introduction	Closing Date for applications	Applications			Number	Offers		Payments (£'000)	
			Received	Rejected or withdrawn	Under consideration at 31.3.89		Project costs (£'000)	Assistance offered (£'000)	Cumulative	Year to 31.3.90
<i>Schemes open for applications 31.3.89</i>										
General										
Assistance for Exceptional Projects	12. 1.88	Not applicable	35	26	7	2	30,000	5,000	nil	nil
Other										
Certification Schemes	April '83	Not applicable	58	15	10	42	9,441	2,493	2,347	581
Regional Enterprise Grants	1. 4.88	Not applicable	5,764	N/A	N/A	3,464	N/A	29,303	9,509	8,070
Total			5,857	41	17	3,508	39,441	36,796	11,856	8,651
<i>Schemes closed for applications at 31.3.90 with transactions outstanding</i>										
General										
Support for Major Projects	17. 7.79	12. 1.88	471	285	nil	186	688,675	69,469	52,883	1,424
Selective Investment Scheme	15.12.76	30. 6.79	766	590	nil	176	1,055,834	108,372	98,174	500
Other										
Microelectronics Industry Support Programme 1	26. 7.78	12. 1.88	204	38	nil	166	276,430	59,047	53,283	nil
Investment Support for Microelectronics	19. 3.84	12. 1.88	184	74	nil	150	144,635	41,696	25,154	2,434
Fibre Optics	27. 7.81	12. 1.88	35	9	nil	26	41,379	5,965	4,402	nil
Advanced Manufacturing Technology (b,c.)	8. 6.82	30. 6.86	612	271	nil	341	267,304	59,319	41,117	1,930
Quality Assurance	20. 6.83	19.12.86	693	181	nil	546	18,909	4,257	3,053	149
Coal Firing Scheme	22. 5.81	30. 6.87	911	481	nil	430	274,369	50,319	47,168	1,006
Total			3,876	1,929	nil	2,021	2,767,535	398,444	325,234	7,443
<i>Schemes closed for applications at 31.3.90 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
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. 7.78	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	24,361	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
Total			20,655	4,928	nil	15,907	2,577,429	546,557	431,202	nil
Total (all Schemes)			30,388	6,898	17	21,436	5,384,405	981,797	768,292	16,094

(a) Does not include Small Firms Loan Guarantee 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

APPENDIX 14

General Investment Support for Major Projects

TABLE APPLICATIONS AND OFFERS TO 31 MARCH 1990

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	21	557,703	16	551,852	nil	nil	5	6,026	795	741
Wales	13	199,356	4	177,940	nil	nil	9	21,698	2,839	2,722
North East	14	62,701	7	46,706	nil	nil	7	21,013	2,064	1,196
Yorkshire and Humberside	42	205,153	29	143,988	nil	nil	13	61,166	7,100	2,818
East Midlands	46	238,257	36	181,449	nil	nil	10	60,802	6,106	5,556
South East	131	727,326	83	486,651	nil	nil	48	233,494	21,205	15,813
South West	35	200,594	25	165,386	nil	nil	10	38,986	3,060	2,421
West Midlands	122	424,408	59	252,317	nil	nil	63	162,748	20,770	17,152
North West	47	293,381	26	225,635	nil	nil	21	62,742	5,530	4,464
Total	471	2,908,879	285	2,231,924	nil	nil	186	668,675	69,469	52,883
Of which in year ended 31.3.90	—	—	—	—	—	—	—	—	—	1,424

APPENDIX 15

Assistance for Exceptional Projects

Successful applications for assistance under this programme will 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 the project costs.

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

TABLE APPLICATIONS AND OFFERS TO 31 MARCH 1990

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	5	3,415	5	3,415	nil	nil	nil	nil	nil	nil
Wales (a)	2	30,000	nil	nil	nil	nil	2	30,000	5,000	nil
North East	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil
Yorkshire and Humberside	7	582,000	3	19,500	4	562,500	nil	nil	nil	nil
East Midlands	1	30,000	nil	nil	1	30,000	nil	nil	nil	nil
South East	9	406,089	8	56,089	1	350,000	nil	nil	nil	nil
South West	1	10,000	1	10,000	nil	nil	nil	nil	nil	nil
West Midlands	6	161,295	5	121,295	1	40,000	nil	nil	nil	nil
North West	4	754,000	4	754,000	nil	nil	nil	nil	nil	nil
Total	35	1,976,799	26	964,299	7	982,500	2	30,000	5,000	nil
of which in year ended 31.3.90	13	1,768,415	10	861,415	6	942,500	2	30,000	5,000	nil

(a) This has previously been recorded as just one application; subsequently it became two

APPENDIX 16

Small Firms Loan Guarantee Scheme

TABLE 1 GUARANTEES ISSUED FROM INCEPTION IN JUNE 1981 TO 31 MARCH 1990 BY REGION

<i>Region (a)</i>	<i>Number</i>	<i>Value (£m)</i>
Scotland	1,719	55.85
Wales	1,268	38.47
North East	1,240	36.34
Yorkshire and Humberside	1,954	57.50
East Midlands	1,554	51.50
South East	9,177	329.45
South West	2,391	73.45
West Midlands	2,080	64.25
North West	3,108	93.98
Northern Ireland	306	11.10
Total	24,797	811.89

(a) by standard DTI regions

TABLE 2 GUARANTEES ISSUED FROM 1 APRIL 1989 TO 31 MARCH 1990 BY REGION

<i>Region (a)</i>	<i>Number</i>	<i>Value (£m)</i>
Scotland	157	7.96
Wales	215	5.71
North East	225	5.36
Yorkshire and Humberside	256	7.77
East Midlands	177	5.21
South East	1,242	43.62
South West	372	10.53
West Midlands	258	6.80
North West	388	10.55
Northern Ireland	24	.92
Total	3,314	104.43

(a) by standard DTI regions

APPENDIX 17

Support for Advanced Manufacturing Technology (AMT) Project Planning and Implementation and Project Installation

This measure provided assistance for consultancy studies and the installation of Advanced Manufacturing Technology (AMT) systems. Grants of 50 per cent of professional consultancy fees up to a maximum grant of £50,000 were available for Planning and Implementation studies and grants of up to 20 per cent were available toward the capital and development costs of installing AMT systems. The assistance scheme for consultancy studies closed for applications on 31 March 1988 and

the assistance scheme for AMT installations closed for applications on 30 June 1986.

At 31 March 1990, grants totalling £59.3 million had been offered for the installation of 341 systems, and £14.3 million towards 973 Planning and Implementation Studies.

TABLE APPLICATIONS AND OFFERS UNDER THE INDUSTRIAL DEVELOPMENT ACT 1982 TO 31 MARCH 1990 AMT INSTALLATIONS

Region	Applications						Offers			
	Received		Rejected or withdrawn		Under consideration		Number	Project costs (£'000)	Assistance offered	Payments (£'000)
	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)				
Scotland	39	55,987	20	45,615	nil	nil	19	9,843	2,102	1,624
Wales	18	12,349	10	10,015	nil	nil	8	2,024	569	231
North East	27	20,290	10	11,490	nil	nil	17	7,895	1,871	1,519
Yorkshire and Humberside	41	35,641	18	15,553	nil	nil	23	20,391	4,895	3,390
East Midlands	53	59,916	31	44,143	nil	nil	22	15,981	3,680	1,884
South East	166	140,960	78	63,088	nil	nil	88	70,532	14,361	9,247
South West	68	46,838	23	30,089	nil	nil	45	17,213	4,869	4,038
West Midlands	124	129,186	52	52,796	nil	nil	72	69,672	16,381	12,778
North West	72	82,496	29	28,495	nil	nil	43	52,029	10,222	8,005
Northern Ireland	4	1,798	nil	nil	nil	nil	4	1,591	369	316
Total	612	585,461	271	301,285	nil	nil	341	267,171	59,319	43,032
of which in year ended 13.3.90	nil	nil	nil	nil	nil	nil	nil	nil	nil	1,930

APPENDIX 18

Investment Support for Microelectronics (MISP2)

APPLICATIONS AND OFFERS TO 31 MARCH 1990

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	6	38,162	1	30,000	nil	nil	5	7,377	1,377	1,217
Wales	1	450	1	450	nil	nil	nil	nil	nil	nil
North East	2	2,313	1	1,816	nil	nil	1	497	99	75
Yorkshire and Humberside	2	788	1	240	nil	nil	1	608	134	134
East Midlands	18	95,539	15	93,613	nil	nil	3	1,005	210	144
South East	84	312,370	33	147,089	nil	nil	51	147,477	25,373	13,082
South West	23	153,772	15	111,930	nil	nil	8	41,933	4,914	4,306
West Midlands	4	3,589	1	2,163	nil	nil	3	1,125	278	141
North West	39	74,850	2	2,567	nil	nil	37	71,550	8,472	5,513
Mixed	5	6,102	4	3,705	nil	nil	1	2,397	839	542
Total	184	687,935	74	393,573	nil	nil	110	273,969	41,696	25,154
of which in year ended 31.3.90	nil	nil	nil	nil	nil	nil	nil	nil	nil	2,414

Note:— Some of the Data in the above table may not be compatible with figures shown in past reports. Computerised data has recent been corrected.

APPENDIX 19

Investment Support for Fibre Optics and Opto-Electronics

TABLE 1 APPLICATIONS AND OFFERS UNDER THE SCIENCE & TECHNOLOGY ACT 1965 TO 31 MARCH 1990

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	5	2,774	2	1,452	nil	nil	3	718	207	157
Wales	4	2,925	3	2,448	nil	nil	1	477	98	48
North East	3	5,105	nil	nil	nil	nil	3	3,207	727	248
Yorkshire and Humberside	19	9,610	3	692	nil	nil	16	8,030	2,204	1,902
East Midlands	4	1,574	1	390	nil	nil	3	1,133	371	328
South East	133	135,846	26	19,390	nil	nil	107	114,327	27,090	20,321
South West	12	21,312	2	5,282	nil	nil	10	10,365	2,813	2,212
West Midlands	4	13,130	1	7,587	nil	nil	3	5,155	1,310	1,171
North West	9	16,909	6	15,781	nil	nil	3	1,191	1,196	1,184
Mixed	1	32	nil	nil	nil	nil	1	32	32	32
Total	194	209,217	44	53,022	nil	nil	150	144,635	36,048	27,603
of which in year ended 31.3.90	nil	nil	nil	nil	nil	nil	nil	nil	nil	669

Note:— Some of the data in the above table may not be compatible with figures shown in past reports. Computerised data has recently been corrected.

TABLE 2 APPLICATIONS AND OFFERS UNDER THE INDUSTRIAL DEVELOPMENT ACT 1982 TO 31 MARCH 1990
INVESTMENT SUPPORT FOR FIBRE OPTICS AND OPTO-ELECTRONICS

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	1	489	1	489	nil	nil	nil	nil	nil	nil
Wales	2	1,061	1	470	nil	nil	1	241	15	15
North East	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil
Yorkshire and Humberside	2	1,539	nil	nil	nil	nil	2	1,147	308	211
East Midlands	3	6,108	nil	nil	nil	nil	3	6,063	611	436
South East	20	44,235	7	7,239	nil	nil	13	23,917	3,092	2,359
South West	7	10,127	nil	nil	nil	nil	7	10,011	1,939	1,381
West Midlands	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil
North West	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil
Total	35	63,559	9	8,198	nil	nil	26	41,379	5,965	4,402
of which in year ended 31.3.90	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil

Note:— Some of the data in the above table may not be compatible with figures shown in past reports. Computerised data has recently been corrected.

APPENDIX 20

Quality Assurance Support Scheme

The aim of this scheme was to provide financial assistance to small firms employing up to 500 people for improving their quality assurance procedures to the level of British Standard 5750 or an equivalent standard. Assistance was available in the form of a grant of 20 per cent (formerly 25 per cent) of the net eligible costs (eg net of VAT, Regional Development Grant, or any European Community Grant). Eligible costs must not exceed £100,000 and may include:

- (a) the production of a 'Quality Manual', ie a detailed document which sets out responsibilities for every step in the production process which relates to

quality, including organisation of component stocks, stores, inward inspection, testing;

- (b) the reorganisation of procedure, eg rebuilding and restructuring of a store area; training staff in the new procedures and quality assurance concepts;
- (c) the costs of assessment and approval to British Standard (BS) 5750 and other quality assurance schemes based on similar principles.

Assistance was not available towards purchasing production or test inspection equipment. Work may have been sub-contracted to outside specialists where appropriate.

QUALITY ASSURANCE SUPPORT SCHEME (QASS) APPLICATIONS AND OFFERS TO 31 MARCH 1990

Region	Applications									
	Received		Rejected or withdrawn		Under consideration		Offers			
	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)	Assistance offered (£'000)	Payments (£'000)
Scotland	41	1,528	11	354	nil	nil	30	910	243	167
Wales	15	661	7	224	nil	nil	9	458	97	63
North East	38	1,556	19	935	nil	nil	24	794	205	117
Yorkshire and Humberside	86	2,485	21	625	nil	nil	68	1,940	438	324
East Midlands	74	2,320	8	170	nil	nil	67	2,177	479	353
South East and East Anglia	190	8,146	50	2,161	nil	nil	147	6,032	1,347	987
South West	49	1,684	15	521	nil	nil	39	1,280	306	210
West Midlands	134	3,933	27	949	nil	nil	112	3,152	689	534
North West	63	2,606	21	926	nil	nil	49	2,066	433	298
Northern Ireland	3	264	2	164	nil	nil	1	100	20	nil
Total	693	25,183	181	7,029	nil	nil	546	18,909	4,257	3,053
of which, in year ended 31.3.1990	nil	nil	nil	nil	nil	nil	nil	nil	nil	149

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.

APPENDIX 22

Coal Firing Scheme

Under the Scheme, capital grants of up to 25 per cent of eligible costs were available for the conversion or replacement of existing oil and/or gas fired industrial equipment (ie boilers, furnaces, ovens, kilns, driers, gas producers, hot gas generators and similar equipment) with coal fired equipment. The grants were available towards the cost of the purchase and installation of essential plant and equipment and the provision of modification of buildings associated with the projects.

The Scheme was open to commercial undertakings in

manufacturing, commerce, agriculture and service sector, with some exceptions, notably banking and insurance. The Scheme was essentially directed at the private sector and public sector bodies were generally excluded.

The Scheme closed to new applications on 30 June 1987. Projects are required to be completed within two years except for particularly large projects where the completion date may be extended by prior agreement with the Department.

APPLICATIONS AND OFFERS TO 31 MARCH 1990 COAL FIRING SCHEME

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	69	59,393	38	43,168	nil	nil	31	16,225	2,872	2,778
Wales	40	49,983	29	43,154	nil	nil	11	6,829	1,245	1,119
North East	44	51,778	23	10,136	nil	nil	21	41,642	4,738	4,714
Yorkshire and Humberside	151	30,765	70	17,458	nil	nil	81	13,307	3,070	2,911
East Midlands	88	51,512	41	42,330	nil	nil	47	9,182	2,190	2,123
South East	173	148,470	106	65,313	nil	nil	67	83,157	15,521	14,343
South West	54	14,508	22	7,747	nil	nil	32	6,761	1,380	1,260
West Midlands	59	19,732	32	10,822	nil	nil	27	8,910	1,830	1,556
North West	205	160,870	105	90,164	nil	nil	100	70,706	14,412	13,542
N. Ireland	28	24,738	15	7,088	nil	nil	13	17,650	3,061	2,820
Total	911	611,749	481	337,380	nil	nil	430	274,369	50,319	47,168
of which in year ended 31.3.90	nil	nil	nil	nil	nil	nil	nil	nil	nil	1,026

APPENDIX 23

Selective Investment Scheme

APPLICATIONS AND OFFERS TO 31 MARCH 1990 (a)

Region	Applications				Offers			
	Received		Rejected or withdrawn		Number	Project costs (£'000)	Assistance offered (£'000)	Payments (£'000)
	Number	Project costs (£'000)	Number	Project costs (£'000)				
Scotland	41	1,239,179	38	1,039,439	3	199,740	23,400	17,400
Wales	19	317,007	17	176,607	2	140,000	18,750	18,500
North East	24	203,389	20	171,448	4	31,941	2,880	2,880
Yorkshire and Humberside	60	185,406	48	145,765	12	39,641	4,703	4,670
East Midlands	97	318,834	66	209,934	31	108,900	9,793	9,502
South East	188	1,170,222	155	1,095,594	33	74,628	8,358	7,995
South West	63	154,918	47	109,674	16	45,244	3,954	3,486
West Midlands	174	365,341	116	238,836	58	126,505	15,016	13,128
North West	84	691,358	70	408,023	14	283,335	20,884	19,987
Mixed	16	180,384	13	174,484	3	5,900	634	626
Total	766	4,826,038	590	3,769,804	176	1,055,834	108,372	98,174
of which in year ended 31.3.1990	nil	nil	nil	nil	nil	nil	nil	500

(a) These figures reflect adjustments made to regional boundaries

APPENDIX 24

Microelectronics Industry Support Programme (MISP1)

TABLE 1 APPLICATIONS AND OFFERS UNDER THE INDUSTRIAL DEVELOPMENT ACT 1982 TO 31 MARCH 1990

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	14	97,535	4	38,060	nil	nil	10	59,475	8,642	8,245
Wales	5	529	nil	nil	nil	nil	5	440	118	105
North East	3	722	1	193	nil	nil	2	529	139	104
East Midlands	28	59,337	1	224	nil	nil	27	53,517	10,747	9,667
South East	48	77,651	19	16,579	nil	nil	29	58,645	13,833	12,409
South West	34	50,443	7	5,655	nil	nil	27	35,379	9,101	7,793
West Midlands	7	3,812	1	225	nil	nil	6	3,411	932	397
North West	61	70,432	1	238	nil	nil	60	65,034	15,535	14,563
Mixed	4	11,398	4	11,398	nil	nil	nil	nil	nil	nil
Total	204	371,859	38	72,572	nil	nil	166	276,430	59,047	53,283
of which in year ended 31.3.1990	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil

Note:

The above includes offers and payments made for projects under the Electronic Components Industry Scheme and Section 7 that were subsequently transferred to MISP1

TABLE 2 APPLICATIONS AND OFFERS UNDER THE SCIENCE AND TECHNOLOGY ACT 1965 TO 31 MARCH 1990

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)				
Wales	4	224	nil	nil	nil	nil	4	162	45	40
East Midlands	2	5,632	nil	nil	nil	nil	2	5,132	1,371	1,246
South East	10	3,719	1	100	nil	nil	9	3,630	1,218	1,130
South West	5	1,030	1	240	nil	nil	4	833	458	426
West Midlands	1	480	nil	nil	nil	nil	1	480	120	118
North West	10	5,384	nil	nil	nil	nil	10	5,384	1,338	1,290
Total	32	16,469	2	340	nil	nil	30	15,621	4,550	4,250
of which in year ended 31.3.1990	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil

Note:

Some of the data in the above tables may not be compatible with figures shown in past Reports. Recent computerisation has produced corrected data

APPENDIX 25

Assistance to the Shipbuilding Industry

Home Credit Scheme for Shipbuilding

In the year to 31 March 1990 payments of interest grant totalled £45.8 Million. These were made to the banks under the authority of the Industry Act 1975 (Section 25).

STATEMENT OF GUARANTEES FOR THE YEAR ENDED 31 MARCH 1990

	<i>Number of Guarantees</i>	<i>Amount of Principal Guaranteed (£'000)</i>
Guarantees current on 1 April 1989	316	825,492
Guarantees given in year 1989-90	33	140,027
Repayments in year 1989-90 (a)	39	125,043
Guarantees current on 31 March 1990	310	840,476

(a) 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 fully repaid.

APPENDIX 26

Assistance to Local Enterprise Agencies

LOCAL ENTERPRISE AGENCY GRANTS SCHEME (LEAGS) 1988-89

<i>Region (a)</i>	<i>Number of agencies assisted</i>	<i>Total payments (£'000)</i>
Northern	15	105,366
North West	34	261,424
Yorkshire and Humberside	13	104,648
West Midlands	14	115,550
East Midlands	21	177,565
South East	35	240,788
London	17	137,550
South West	27	178,653
Total	176	1,321,544

(a) by standard TA region

LOCAL ENTERPRISE AGENCY PROJECTS SCHEME (LEAPS) MADE UNDER SECTION 11 1989-90

<i>Region (a)</i>	<i>Number of agencies assisted</i>	<i>Total payments (£'000)</i>
Northern	6	55,200
North West	9	89,700
Yorkshire and Humberside	3	26,400
West Midlands	3	16,180
East Midlands	2	15,000
South East	—	—
London	10	145,100
South West	3	25,745
Total	36	373,225

(a) by standard TA region

APPENDIX 27

Management Education and Training

<i>Organisation</i>	<i>Description</i>	<i>Amount (£)</i>
Durham University Business School	Extension of previous commitment to New Enterprise Development Project which undertakes innovative work in the field of small firm training.	42,000
Durham University Business School/Churchill Group	Contribution towards cost of follow-up research into the experiences of graduates and undergraduates working in small firms.	7,000
Graduate Employment Matching Service	Further contribution towards cost of pilot database linking higher education institutions with small firms, and providing an employment matching service	15,000
Open University	Contribution towards cost of developing a video to help small firms prepare for 1992	20,000
Women in Enterprise	Further contribution towards cost of innovative project to develop and deliver training courses to address the specific needs of female entrepreneurs.	4,938
Institute of Marketing	Further contribution towards cost of running seminars to educate small firms owner/managers about marketing.	164
	Total	89,103

The Consultancy Initiatives

Objectives and Scope

The aim of the Consultancy Initiatives is to improve management performance and competitiveness in small and medium-sized enterprises, by offering assisted consultancy to encourage the use of outside expertise as a regular part of management strategy.

The management functions covered by the Consultancy Initiatives are:

- 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 Information Systems (covering all areas of financial and management data and accounting as a basis for decision making and control)
- Manufacturing 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 an overall marketing strategy and set up a marketing action plan, in home and/or export markets)
- Quality Management (covering the introduction of new or more appropriate quality management systems and advice on how to meet BS 5750 and related standards).

Eligibility

The Consultancy Initiatives are available to most British-based firms and members of groups with fewer than 500 employees worldwide, with a few exceptions (ie those engaged in agriculture, forestry, fishing and mineral extraction). Each firm or member of a group may receive support for up to two projects (under different Initiatives) of between five and 15 consultant days. DTI contributes half of the cost (two-thirds in Assisted and Urban Programme Areas).

Procedure

Applicants for assisted consultancy 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 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.

If the Counsellor recommends assisted consultancy, the case is referred to one of the 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 Initiatives if they have either two years' experience of independent operation or five years' previous experience and one year of independent operation, and can demonstrate that they have the

appropriate expertise and skills.

The principal Scheme Contractors are:

- a) 3i Enterprise Support Ltd (for the Business Planning and Financial and Information Systems Initiatives)
- b) Design Council (for the Design Initiative)
- c) Production Engineering Research Association (for the Manufacturing Systems and Quality Initiatives)
- d) Chartered Institute of Marketing (for the Marketing Initiative)

Post Completion Visit

Six to twelve weeks after project completion the Enterprise Counsellor will return to the firm to 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. The Enterprise Counsellor will also assess whether the firm needs Implementation Guidance (see below) and further encourage the firm to look at what action is necessary to prepare for the single market.

New Elements

On 20 June 1989 several new elements were introduced to the scheme:

- a) **Instalment Projects** — these five-day projects with standard Terms of Reference were introduced for the benefit 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.
- b) **Implementation Guidance** — when a project has been completed, a further five days of consultants' advice may, at the Enterprise Counsellor's discretion, be offered to firms to assist them with implementing the recommendations of the consultant. Again, this element was introduced for the benefit of smaller firms who are most likely to lack the expertise to gain full benefit from their projects.
- c) **Post Implementation Visit** — one year after project completion firms receive a further visit from the Enterprise Counsellor. The main purpose of this visit is to provide the Department with an indication of the extent to which the consultant's recommendations have been implemented, to identify evidence of the real economic benefit to the company from the consultancy and to discuss Single Market issues.

On 23 January 1990 the following element was added:

- d) **Consultant Charges** — Consultancy practices contribute to the costs of the administration and promotion of the scheme through the payment of application, listing and project fees.

Evaluation

Independent evaluation of the Consultancy Initiatives was undertaken in 1988-89 on a sample of 420 early projects,

by Segal Quince Wicksteed. Segal Quince Wicksteed are currently undertaking a second survey of firms interviewed in the first evaluation, to establish the commercial benefits which they have obtained from assisted consultancy. Additionally they are undertaking a survey of a further 420 firms, to assess any differences in attitudes to consultancy and benefits achieved by later participants in

the scheme. The results of these second surveys are expected to be published in due course.

The results of the first round of evaluation were published in June 1989. 'Evaluation of the Consultancy Initiatives' by Segal Quince Wicksteed is an HMSO publication: ISBN 0 11 5146776, price £10.95.

TABLE 1 APPLICATIONS TO 31 MARCH 1990

Region	Applications Received	Applications not Recommending Consultancy		Projects Approved	Projects Completed	Actual Spend (£'000)*
		Pre Business Review	At Business Review			
Scotland	3,101	194	231	2,505	1,421	5,263
Wales	2,554	77	560	1,762	896	3,291
North East	2,385	51	473	1,725	749	2,436
Yorkshire and Humberside	4,338	209	662	3,186	1,605	5,492
East Midlands	3,075	71	576	2,253	1,049	3,081
East	3,976	61	1,050	2,490	957	3,031
South East	12,115	361	2,274	8,409	3,285	9,948
South West	4,568	48	1,162	2,815	1,196	3,555
West Midlands	5,031	150	1,013	3,479	1,809	5,931
North West	6,851	194	960	5,308	2,696	8,545
Total	47,994	1,416	8,961	33,932	15,663	50,574

* Actual Spend Consultancies—including Business Reviews

TABLE 2 PROJECTS APPROVED BY ASSISTED AREA AND URBAN PROGRAMME AREA TO 31 MARCH 1989

Region	Projects Approved	AA/UPA %
Scotland	2,505	86.1
Wales	1,762	83.4
North East	1,725	53.7
Yorkshire and Humberside	3,186	79.0
East Midlands	2,253	34.0
East	2,490	0.0
South East	8,409	14.7
South West	2,815	29.9
West Midlands	3,479	71.5
North West	5,308	70.6
Total	33,932	51.1

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

(b) For the purpose of the Consultancy Initiatives. 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 1990

Region	Projects Approved	Production (%)	Services (%)
Scotland	2,505	50.6	49.4
Wales	1,762	51.5	48.5
North East	1,725	51.6	48.4
Yorkshire and Humberside	3,186	58.1	41.9
East Midlands	2,253	59.3	40.7
East	2,490	50.0	50.0
South East	8,409	35.4	64.6
South West	2,815	42.8	57.2
West Midlands	3,479	63.2	36.8
North West	5,308	56.0	44.0
Total	33,932	49.6	50.4

TABLE 4 PROJECTS APPROVED BY SIZE OF FIRM TO 31 MARCH 1990

<i>Region</i>	<i>Projects Approved</i>	<i>Size of Firm (%)</i>				
		<i><10</i>	<i>10-24</i>	<i>25-99</i>	<i>100-199</i>	<i>200-499</i>
Scotland	2,505	29.7	23.8	32.0	9.1	5.5
Wales	1,762	38.7	24.7	29.5	5.1	2.0
North East	1,725	36.2	28.5	27.4	6.1	1.7
Yorkshire and Humberside	3,186	26.5	30.4	32.1	7.3	3.7
East Midlands	2,253	27.9	27.0	32.7	8.1	4.4
East	2,490	35.7	25.4	29.0	7.2	2.8
South East	8,409	41.3	26.1	25.6	4.7	2.2
South West	2,815	42.2	25.7	26.3	4.2	1.5
West Midlands	3,479	25.8	28.8	35.2	7.3	2.9
North West	5,308	30.9	27.9	31.4	6.7	3.0
Total	33,932	34.2	26.9	29.7	6.3	2.9

APPENDIX 29

Chairmen and Members of the Industrial Development Advisory Boards and Industrial Development Boards

During the year, some changes were made to the membership and chairmanship of some of the boards. The names below represent the position at 31 March 1990.

Industrial Development Advisory Board

Chairman

Sir Ronald Halstead, CBE

Members

Mr. P. Benton
Mr. C. N. Davies
Mr. J. Eccles, CBE
Mr. P. J. Grant
Mr. J. Hewitt
Mr. G. R. Mackenzie
Mr. J. W. Melbourn
Mr. H. G. Mourgue
Mr. L. J. Weaver, CBE
Mr. A. E. Wheatley

Scottish Industrial Development Advisory Board

Chairman

Mr. D. J. MacLeod, CBE

Members

Mr. Y. Ali, OBE
Mr. B. Fox
Mr. K. Fox, OBE
Mr. J. J. G. Good
Mr. J. C. G. Halley
Mr. J. M. Little, CBE
Mr. A. Merrills, OBE
Mr. D. M. Patterson
Mr. J. C. Shaw, CBE
Mr. A. K. Smith, CBE
Mr. P. Timms

Welsh Industrial Development Advisory Board

Chairman

Sir Peter Phillips, OBE

Members

Dr. A. J. S. Folwell
Mr. K. Hodge
Mr. D. Jenkins
Mr. H. G. Jones
Mr. T. G. Jones, OBE
Mr. N. D. Penfold, MBE
Mr. M. Wallace, OBE

North East Industrial Development Board

Chairman

Mr. R. F. Bishop, CBE

Members

Mr. J. C. Barnsley
Mr. E. Bostwick
Mr. T. Burlison
Mr. I. R. Dewhirst
Dr. R. Hawley
Dr. R. Iley, CBE
Mr. D. R. C. Kelly
Mr. R. A. N. McKechnie, MBE
Mr. P. D. Nicholson
Mrs. J. A. Verdon, MBE

Yorkshire and Humberside and East Midlands Industrial Development Board

Chairman

Mr. T. McDonald, OBE, FCA

Members

Mr. P. W. Barker, CBE
Mr. M. P. D. Bullock
Mr. J. R. Corrin
Mr. M. J. Davy
Mr. E. A. K. Denison, OBE, TD
Prof. J. C. Higgins
Mr. H. S. Johnson
Mr. N. H. W. Lee
Mr. A. B. Wilbraham, CBE
Mr. D. K. Wilkinson

South West Industrial Development Board

Chairman

Mr. K. E. Holmes, CBE

Members

Mr. R. Bowen
Mr. E. Dancer
Mr. A. Deardon
Mr. P. G. Fitzgerald
Mr. P. J. Gregory
Mr. R. J. Harris
Mr. M. E. Knight
Mr. V. Parsons, MBE

West Midlands Industrial Development Board

Chairman

Mr. E. Swainson, CBE

Members

Mr. B. W. Baker
Mr. R. J. Dickens
Mr. J. A. Doel
Mr. S. A. Eccleston
Mr. R. G. Hodgson
Mr. T. S. Kelleher
Mr. M. J. Price, CBE
Mr. B. R. Sayers
Mr. B. Sedghi

North West Industrial Development Board

Chairman

Mr. F. A. Russell

Members

Mr. J. B. Ashworth, MBE
Mr. E. Baxendale
Mr. J. Billington
Mr. D. Davies
Mr. J. C. Dwek
Mr. G. Elliott
Mr. B. F. Lawson
Mr. A. Manning
Mr. D. Scholes
Mr. A. Tucker
Mr. D. Weir

HMSO publications are available from:

HMSO Publications Centre

(Mail and telephone orders only)
PO Box 276, London SW8 5DT
Telephone orders 071-873 9090
General enquiries 071-873 0011
(queuing system in operation for both numbers)

HMSO Bookshops

49 High Holborn, London, WC1V 6HB 071-873 0011 (Counter service only)
258 Broad Street, Birmingham, B1 2HE 021-643 3740
Southey House, 33 Wine Street, Bristol, BS1 2BQ (0272) 264306
9-21 Princess Street, Manchester, M60 8AS 061-834 7201
80 Chichester Street, Belfast, BT1 4JY (0232) 238451
71 Lothian Road, Edinburgh, EH3 9AZ 031-228 4181

HMSO's Accredited Agents

(see Yellow Pages)

And through good booksellers