

Industrial Development Act 1982

Annual Report

by the Secretaries of State for Trade and
Industry, Scotland and Wales
for the year ended 31 March 1997

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

*Ordered by The House of Commons to be printed
30 July 1997*

LONDON: THE STATIONERY OFFICE

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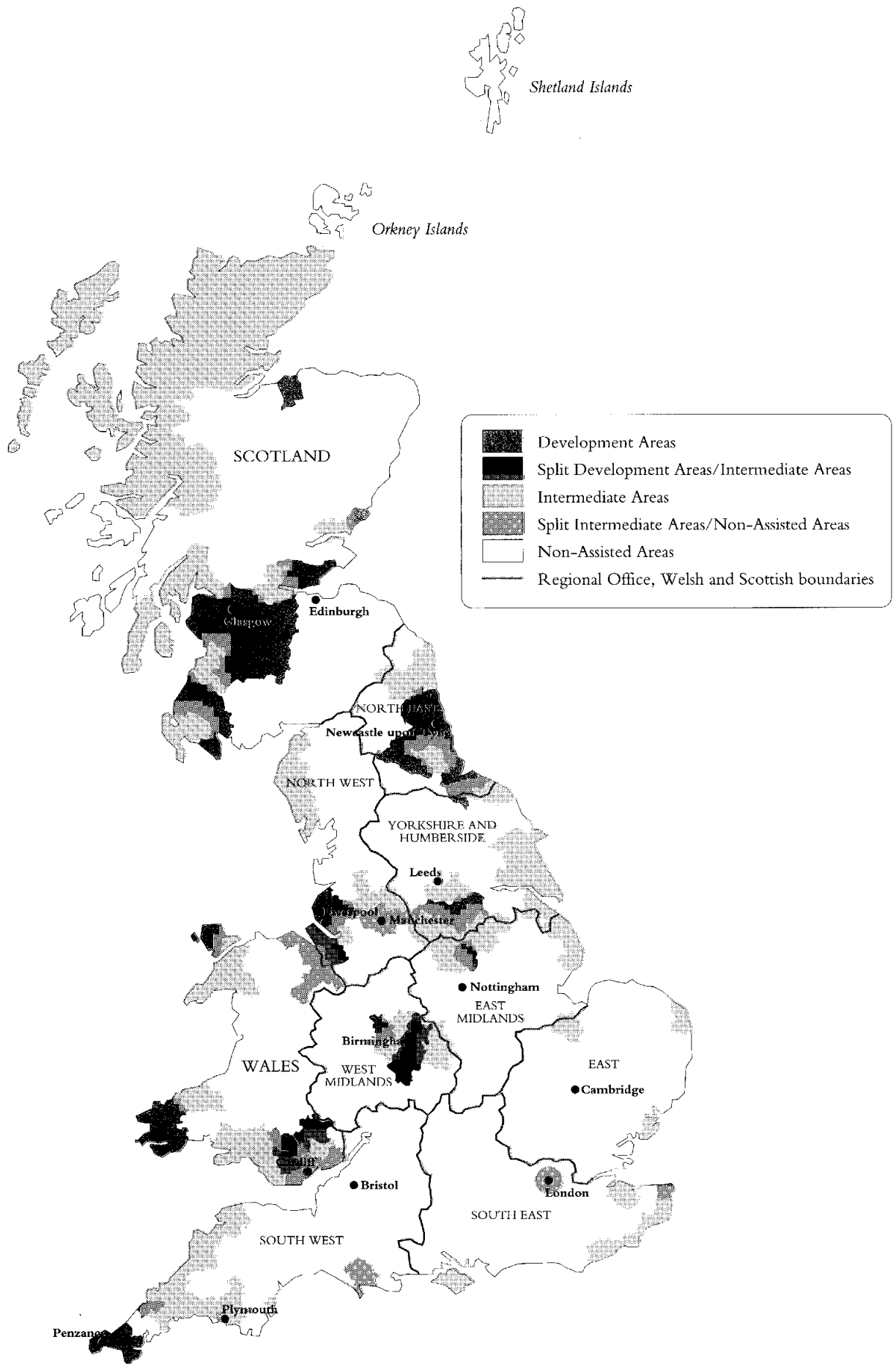
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ABBREVIATIONS

ABCC	Association of British Chambers of Commerce
AEP	Assistance for Exceptional Projects
CAT	City Action Team
CBI	Confederation of British Industry
CI	Consultancy Initiatives
DCDI	Devon and Cornwall Development International
DTI	Department of Trade and Industry
EC/EU	European Community/Union
ECSC	European Coal and Steel Community
ECU	European Currency Unit
EIB	European Investment Bank
EIDB	Eastern Industrial Development Board
EIEC	English Industrial Estates Corporation
EMAS	Energy Management Assistance Scheme
EMDC	East Midlands Development Company
ERDF	European Regional Development Fund
ERGS	Exchange Risk Guarantee Scheme
FBSMs	Flexible Business Support Measures (under ERDF)
GDP	Gross Domestic Product
HCSS	Home Credit Scheme for Shipbuilding
IBB	Invest in Britain Bureau
IDAB	Industrial Development Advisory Board
IDB	Industrial Development Board
INWARD	The Industrial Development and Inward Investment Organisation for the North West and Merseyside regions
NEIDB	North East Industrial Development Board
NWIDB	North West Industrial Development Board
OECD	Organisation for Economic Co-operation and Development
OTS	Overseas Trade Services
R&D	Research and Development
RDG	Regional Development Grant scheme
REG	Regional Enterprise Grant scheme
RECHAR	European Regional Development Fund Community Programme for Coal Mining Areas
RENAVAL	European Regional Development Fund Community Programme for Shipbuilding Areas
RETEX	European Regional Development Fund Community Programme for Textile areas
RSA	Regional Selective Assistance Scheme
SCEEMAS	Small Company Environmental and Energy Management Assistance Scheme
SFLGS	Small Firms Loan Guarantee Scheme
SIDAB	Scottish Industrial Development Advisory Board
SIF	Shipbuilding Intervention Fund
SMEs	Small and Medium sized Enterprises
SWIDB	South West Industrial Development Board
TEC	Training and Enterprise Council
TTWA	Travel-to-Work Area
URBAN	European Regional Development Fund Community Programme for Inner City areas
WIDAB	Welsh Industrial Development Advisory Board
WMIDB	West Midlands Industrial Development Board
YH/EMIDB	Yorkshire and Humberside and East Midlands Industrial Development Board

The Assisted Areas at 1.8.93



Development Areas and Intermediate Areas as defined by DTI at 1.8.93.

Industrial Development Act 1982

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

Introduction

1. This Report, for the year ended 31 March 1997, describes the exercise of powers under the Industrial Development Act 1982 referred to in Sections 11 and 15 of the Act, including the powers under past legislation which the Act consolidated. Sections 11 and 15 of the Act 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 and Industrial Development Boards. 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

3. 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 the Assisted Areas are at Appendix 2.

Regional Development Grants

4. After 31 March 1988 the revised RDG scheme was closed to new applications. Grant payments continue to show a substantial decline. Payments under the revised RDG scheme in 1996–97 were £0.19m in Scotland, £0.09 million in Wales and nil in England. Further details are at Appendix 3.

Regional Enterprise Grants

5. REG in England was suspended on 13 September 1996 as expenditure and commitments showed the allocated budget to be fully committed.

Regional Investment Grants:

6. Following the Government's review of simplification of business support, Regional Investment Grant in Scotland and Wales was closed on 31 January 1997 and was merged with Regional Selective Assistance (RSA). In England, Regional Investment Grant was suspended on 13 September 1996 and transferred to DTI where it was merged with RSA from 1 April 1997 (in coal closure areas in England DTI will continue to provide the grant until the end of 1998/99).

Regional Innovation Grants:

7. In England, the REG (Innovation) Scheme was suspended on 13 September 1996 and returned from the Department of the Environment to the DTI where it was merged with DTI's SMART, SPUR and SPUR Plus schemes with effect from 1 April 1997.

8. In Scotland, Scottish Enterprise and Highlands and Islands Enterprise, now provide support of the type previously given under the REG (Innovation) Scheme to small companies throughout Scotland. (In Lowland Scotland this support is delivered through the network of local enterprise companies). In Wales, REG (Innovation) was brigaded in January 1997 with SMART, SPUR and SPUR Plus under the SMART Wales banner and continues to be offered as a discreet scheme.

9. During the year, businesses in Great Britain submitted 1,530 applications. Offers of grant valued at £ 17.9 million were accepted in respect of 1,077 cases. Fuller statistical details are contained in the tables at Appendix 4.

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

10. 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.

11. 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 when 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.

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

13. 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. 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.

14. 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.

15. 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.

16. Set out below are brief details of RSA applications received and offers accepted by industry during 1996-97. Offers may relate to applications received in prior years.

	Applications		Offers accepted	
	No.	Value £m	No.	Value £m
England	1521	342	1141	164
Scotland	257	221	208	152
Wales	203	163	180	107
Great Britain	1981	726	1529	423

Further details are at Appendix 5 (Table 2).

European Regional Development Fund (ERDF)

17. The European Regional Development Fund (ERDF), one of the three European Community Structural Funds, came into operation in its present form on 1 January 1989. On 1 January 1994 it entered a second programme period which will run until 31 December 1999. There has been an increasing emphasis on the ERDF being used for revenue expenditure rather than the traditional infrastructure and it enhances Government and locally initiated business development measures.

18. ERDF grants are allocated through a number of Single Programme Documents (successor of, but not identical with, the Community Support Frameworks that were in place up to 31 December 1993) in areas defined by the European Commission under Objective 1 (areas lagging behind in development), Objective 2 (industrial and urban areas) and Objective 5b (rural areas). Additional grants are made available through a number of Community Initiatives that are targeted at specific sectors (such as the conversion of textile areas under RETEX and the regeneration of inner cities under URBAN).

19. ERDF grants in 1996–97 for business development measures in England amounted to £15.6 million. ERDF expenditure on Flexible Business Support Measures (FBSMs) was £246,000. These activities, including RENAVAL (shipbuilding areas) and RECHAR (coal areas) were part of the 1989–93 programmes and are coming to an end.

Regional Loans from the European Community

Exchange Risk Guarantee Scheme (ERGS)

20. ERGS was introduced in January 1978 under sections 7 and 8 of the Act. It was designed to encourage manufacturing industry, and certain service sectors qualifying for RSA in Assisted Areas and Northern Ireland, to take advantage of foreign currency loans available from the European Investment Bank (EIB) and the European Coal and Steel Community (ECSC) where such loans were at lower interest rates than sterling loans, by providing a guarantee against the exchange risk. Liability was in sterling. The borrowers' liability was in sterling and, in return for an annual premium, the Government accepted the exchange risk on the outstanding loan.

21. Since 1985, ERGS cover has been available only for the first £500,000 of an ECSC loan. On 25 October 1993, the Scheme was closed to new applications in respect of new global loans negotiated between the United Kingdom financial intermediaries and the European Commission.

22. At 31 March 1997, the total of ECSC loans attracting ERGS cover was £1,113.5 million. In 1996–97 the Scheme made a gross loss of £29.5 million. Its cumulative losses amount to £234.4 million, to 31 March 1997.

23. There have been no new offers of cover in respect of sub-loans for individual projects since March 1992 and 28 March 1997 marked the end of new ECSC loans. All loans will be repaid before 31 December 2001, and ERGS commitments will end before that date.

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

Improvement In Basic Services

24. During the year, 26 applications were received for grant towards improvement of basic services in the Assisted Areas. At 31 March 1997 grants totalling £3.4million had been approved towards 21 schemes costing £19.4 million. Further details are at Appendix 6.

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

25. 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 1997 are set out in paragraphs 26 to 35. Information on measures that closed for application before 31 March 1997 and on which payments were made during the year is set out in paragraphs 36 to 44 and at Appendix 7 (Table 1).

Measures Open for Applications at 31 March 1997

Small Firms Loan Guarantee Scheme

26. The Scheme offers guarantees on loans to small firms with viable business proposals that are unable to obtain conventional finance because they lack security to offer against a loan. By providing a guarantee against default the Scheme encourages lenders to lend where they would not otherwise do so.

27. Loans over periods of between 2 and 10 years are provided by participating banks and other financial institutions who take responsibility for commercial decisions affecting borrowers. For established businesses that have been trading for two years or more at the time of application the Department provides an 85 per cent guarantee on loans of up to £250,000. For other businesses, including start-ups, the guarantee is 70 per cent on loans of up to £100,000. In return for the guarantee the borrower pays a premium to the Department. For loans with a fixed rate of interest the premium is 0.5 per cent a year on the outstanding loan amount while for loans with a variable rate of interest the premium is 1.5 per cent a year on the outstanding loan amount.

28. Loans of up to £30,000, from some of the approved lenders, are subject to simplified administrative procedures which enable the lender to approve applications without first referring them to the Department, thus speeding up the lending decision.

29. Since the start of the Scheme in June 1981 over 57,500 loans, valued at over £1.9 billion, have been guaranteed.

30. Changes resulting from a review of the Scheme were introduced on 1 September 1996. They included:

- (a) a reduction in the number of definitions of a small firm from six to two. Manufacturing remained at a maximum turnover level of £3 million a year while all other sectors have a maximum turnover level of £1.5 million;
- (b) an increase in the maximum loan term from 7 to 10 years;
- (c) an increase from 10 per cent to 20 per cent in the level of shareholding an investor can hold in a company before being considered "connected" for eligibility purposes;
- (d) the introduction of capital repayment holidays for loans up to £30,000 covered by the streamlined small loans arrangement;
- (e) the exclusion of certain business activities from assistance under the Scheme, including all retailing (previous exclusion only covered selling to the public), catering and activities associated with motor vehicle maintenance (e.g. car valeting);
- (f) discontinuation of the enhanced terms available for businesses trading from an address within an Inner City Task Force or City Challenge area;
- (g) a reduction from 2 years to six months in the time allowed, after guarantee, for the drawdown of a loan.

31. The following tables give a breakdown of guarantees issued since 1981.

Table 1

Guarantees Issued from Inception in June 1981 to 31 March 1997 by Region

<i>Region</i>	<i>Number</i>	<i>Value (£m)</i>
Scotland	3538	143.65
Wales	2927	88.47
North East	2564	75.68
Yorkshire & Humberside	4287	132.43
East Midlands & East	6030	198.00
London & South East	19577	704.36
South West	7311	222.67
West Midlands	4830	152.80
North West	5926	184.23
Northern Ireland	575	26.88
Total	57,565	1,929.11

Table 2

Guarantees Issued from 1 April 1996 to 31 March 1997 by Region

<i>Region</i>	<i>Number</i>	<i>Value (£m)</i>
Scotland	434	22.93
Wales	330	10.67
North East	278	9.29
Yorkshire & Humberside	498	17.05
East Midlands & East	1270	44.86
London & South East	1821	70.08
South West	979	31.18
West Midlands	672	23.17
North West	584	21.53
Northern Ireland	76	5.04
Total	6942	255.80

Energy Management Assistance Scheme (EMAS)

32. This scheme was operated by the Department of the Environment. The scheme closed for final claims for grants on 31 January 1996.

The Small Company Environmental and Energy Management Assistance Scheme (SCEEMAS)

33. The Scheme is operated by the Department of the Environment. SCEEMAS was launched in November 1995 and provides grant assistance to help small manufacturing firms hire consultancy advice to enable them to improve their environmental management and encourage them to register under the EC Eco-Management and Audit Scheme.

34. Grants of up to 50% are available to cover the cost of approved consultancy work for one or more stages: 1) for undertaking an Environmental Review, 2) for implementing an Environmental Management System and 3) for producing an independently verified environmental statement and registering the company's site under the EC Eco-management and Audit Scheme. The small firm can enter at any stage depending on their requirements and the level of implementation already achieved. Applicants are encouraged to progress through all three stages to make the maximum use of grant available. During the year 1996-97, 80 applications were approved with 34 grants paid. The scheme can also be used to obtain ISO 14001.

35. The scheme is open to companies who employ fewer than 250 people worldwide, whose annual audited turnover is less than £32million per year, and who are engaged in manufacturing, mining, quarrying, power generation, or waste disposal and recycling. SCEEMAS does not apply to Northern Ireland where a similar scheme is already in operation. SCEEMAS is managed by Nifes Consultancy Group.

Measures Closed for Application Before 31 March 1996 with Payments Made During the Year*Coal Subsidy Scheme*

36. The coal subsidy scheme was closed to new applications at the end of March 1995. Information on the scheme was given in last year's report.

Assistance for the Development of Certification Schemes

37. This measure of support, which was closed to applications on 16 December 1991, was designed to encourage the development of third party certification schemes in line with one of the major recommendations of the White Paper on Standards, Quality and International Competitiveness (Cmd 8621). The measure was introduced in April 1983 with an allocation of £0.5 million a year. Grants up to 30 per cent (exceptionally 50 per cent) of initial deficits were available.

38. At 31 March 1997, payments of grants totalling about £3 million had been made. Further details are at Appendix 7 Table 1.

39. 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 EN ISO 9000 (formerly BS 5750) or an equivalent. Adoption of a system meeting the requirements of the standard assists firms improve the efficiency of their operations, saving time and money which might otherwise be wasted due to the need for re-working caused by production errors. In addition, it enables the firm to gain recognition of their improved efficiency, increasing customer confidence in product reliability and thereby providing a valuable marketing tool. The term 'certification' is used to cover not only certification of supplier quality management systems but also certification of personnel involved in quality verification and certification that products conform to agreed specifications.

Assistance for Exceptional Projects

40. This scheme, the main provisions of which were described in paragraph 34 of the Annual Report for 1992-93, continued to be suspended during the whole of 1994-95 and finally the scheme closed to new applications on 18 July 1995.

41. Payments of £2.0 million were made during the year to bring total payments under the scheme to £24.0 million.

Support Programme for Chambers of Commerce and Industry

42. The programme aimed to help Chambers of Commerce and Industry implement the Development Strategy adopted by the British Chambers of Commerce (BCC) in October 1990. The plan was to restructure the Chambers movement into a network of Approved Chambers each capable of providing a comprehensive range of business support services. The BCC have continued to take forward their Development Strategy and as at 31 March there were 58 such Chambers.

43. The Department usually funded 50 per cent of the salary-related costs of a Development Executive, whose task is to establish an Approved Chamber capable of delivering a range of high quality business services including provision of information, support for exporters, training and representation.

44. The DTI has part funded 19 Chambers on the programme. Expenditure in 1996-97 was £27,000.

Individual Applications Under Section 8

45. Cases which do not qualify for assistance under other support measures can on an exceptional basis, be helped under the general powers of Section 8, subject to Treasury and European Commission approvals.

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

46. The British Film Commission was launched on 12 May 1991. Its aims are to actively encourage overseas film and television producers to make use of United Kingdom studios, locations, post-production facilities and creative and technical personnel. In addition, it helps to co-ordinate work of other national, area and local commissions, so as to help make available a comprehensive information service to producers inquiring about locations, facilities etc. Responsibility for the Commission was assumed by the Department of National Heritage with effect from 1 May 1992.

47. During 1996-97, a grant of £0.8 million was provided to the British Film Commission. Total grant provided to the Commission at 31 March 1997 was £5.1 million. This was used to cover the establishment and subsequent operational costs of the Commission.

Special Assistance to Shipbuilding and Associated Industries

Shipbuilding Intervention Fund (SIF)

48. Aid to shipbuilding within the European Community is regulated by the Seventh Directive on Aid to Shipbuilding which has been extended and now runs until 31 December 1997 or until entry into force of the OECD Agreement on the elimination of shipbuilding subsidies, if earlier. The Directive is permissive and Member States may provide any level of support up to the ceiling which is subject to annual review. For 1997 it has been set at 9 per cent of building costs for ships costing ECU 10 million or more and 4.5 per cent for ships costing less than that amount. The United Kingdom is offering support up to those maximum permitted levels, except that grants will not be offered for ships costing less than £1 million.

49. During 1996–97, grants of £8.1 million were awarded to secure orders for eleven ships totalling 35,895 tonnes. Total grants awarded from the inception of the SIF in February 1977 to 31 March 1997 amount to £538 million, covering orders for 412 ships totalling 3.52 million tonnes.

Assistance Under Part III of the Industry Act 1972

The Home Shipbuilding Credit Guarantee Scheme

50. The Home Shipbuilding Credit Guarantee Scheme guarantees loans provided by commercial banks for the building, completion or alteration of ships. It allows banks to provide shipowners with loans at a fixed rate of 7.5 per cent over 8½ years or Commercial Interest Reference Rates for individual borrowing beyond 8½ years to 12 years. The Scheme is based on OECD understanding and is subject to review in the light of the new OECD agreement referred to under “Shipbuilding Intervention Fund”.

51. In the year to 31 March 1997 payments of interest from the banks totalled £3.2 million (previous year £0.6 million). These were made to the Department of Trade and Industry under the authority of the Industry Act 1975 (Section 25). In the table below, the previous year’s figures are shown in brackets.

Statement of Guarantees for the Year Ended 31 March 1997

	Number of Guarantees	Amount of Principal Guaranteed (£'000)
Guarantees current on 1 April 1996 (a)	178 (180)	582,444 (482,609)
Guarantees offered in year 1996–97 (a)	31 (23)	175,147 (220,000)
Repayments in year 1996–97 (b)	64 (25)	237,594 (120,165)
Guarantees current on 31 March 1997 (a)	145 (178)	519,997 (582,444)

(a) Figures are inclusive of guarantees offered but not yet accepted.

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

Assistance Under Section 11 of the Industrial Development Act 1982

Business Improvement Services

52. Management Best Practice Directorate provides - mainly through Business Links and Trade Associations - a range of activities designed to help SMEs define and improve their performance in various best practice areas. The best practice promotional activities are designed to stimulate the smaller companies and help identify and address weaknesses and provide help with networking, benchmarking and visits to best practice companies. This was previously delivered under the DTI’s **Managing in the 90s** programme but due to the Simplification Review it was decided that only three core elements will remain centrally administered after March 1997. These are:

- (a) **Connect for Better Business** - a CD-ROM based package of best practice awareness materials.
- (b) **The UK Benchmarking Index** - This was launched on 21 October 1996 and is designed to introduce companies to benchmarking.
- (c) **Inside UK Enterprise** - This is an inter-company demonstration scheme.

53. In addition to the above assistance, we are continuing to develop Internet pages which will contain a range of awareness and self-help packages. Delivery of the programme in the year ended 31 March 1997 cost £5.1 million.

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

Business Links

54. The establishment of the Business Link network in England has been one of the most significant achievements in the continuing development for small and medium-sized enterprises (SMEs). The network

of 89 Business Link Partnerships, with over 240 outlets, completed in January 1997, has been created through the effective partnership of Training and Enterprise Councils (TECs), Chambers of Commerce, Local Enterprise Agencies and Local Authorities in order to provide a single point of contact for a range of high quality business support services. Every firm in England now has access to these services via their local Business Link.

55. Business Links are improving the performance of local companies by offering a range of locally developed business support services tailored to meet the needs of local firms. These include information and advice, counselling for new and existing businesses, business diagnostic service, consultancy service, Personal Business Adviser service, and specialist services on export, finance, design, innovation and technology. The evidence of Business Link impact is already impressive. The latest information shows that in the period January - March 1996, over 9,000 businesses a week used Business Link services.

56. The DTI provides Business Links with funds to develop and provide these services. In 1997-98, £38 million is available towards the cost of establishment and further development of the network, and £168 million for the provision of business support services and Local Challenge projects. Business Links, as commercial organisations, are being encouraged to develop additional income through charging for the services they provide - by their fifth year of operation Business Links will be expected to be earning at least 25 per cent of their income from the businesses they assist. This will enable them to generate additional funds in order to increase the volume, quality and range of services they offer.

Business Connect Wales

57. This network, launched in January 1996, provides a single point of entry to the business support infrastructure for anyone seeking help to establish a new business or for those established businesses needing information and advice on the services available. Business Connect encompasses a variety of local and national organisations operating in partnership through 8 business development consortia which have developed a network of over 30 business centres accessed by a single, all-Wales telephone number. By establishing effective working arrangements at the local level, supported by a sophisticated information technology infrastructure and staff training to NVQ standards, the consortia are ensuring the delivery of high quality business support services.

58. In 1996-97, the Welsh Office supported Business Connect to develop new local services targeting companies with the potential to grow. Projects included the establishment of personal business advisor and mentoring services, supply chain developments, environmental and financial counselling and the establishment of team-managed businesses at a cost to the Department of £0.8 million. These projects are expected to continue in 1997-98 and 1998-99 at an estimated annual cost to the Welsh Office of £1.3 million.

59. In 1996-97, over £12 million was made available by the Welsh Office to TECs in Wales for the provision of a range of services including the business start-up scheme, small firms training initiative and other human resource development programmes, diagnostic and consultancy services and Investors in People.

The Expert Help Programme: Scotland

60. The Expert Help Programme was introduced in 1995. The aim of the Programme is to encourage managers of SMEs to use outside experts when considering the strategic direction of their businesses or tackling technical problems. It provides free advice on technical issues from Innovation and Technology Counsellors and financial support towards the cost of more detailed advice and assistance. In the year to 31 March 1997 spend under the Programme totalled £1.33 million and some 1100 companies were assisted. The Programme was reviewed in the course of 1996/97 and will continue in 1997/98.

The Enterprise Initiative: Consultancy Assistance

61. The above enterprise initiative was closed on 15 September 1994. Details on the scheme and final statistics were provided in last year's annual report.

Other Matters and Developments in 1996-97

Inward Investment

62. 1996-97 was another busy year for IBB in the Asia Pacific region. IBB's London office worked closely with colleagues in IBB's Asia Pacific Regional Office (based in Hong Kong and with responsibility

for all Asia Pacific markets excluding Japan) and with Posts in Japan to organise a comprehensive programme of promotional events throughout the year. Events were held in Japan, Korea, Taiwan, Australia and India, where an IBB seminar was organised on board the Royal Yacht during its stay in Bombay. IBB also participated in exhibitions and other events in Malaysia, Singapore and Hong Kong.

63. IBB sponsored inward missions from Japan, Korea, Taiwan, Hong Kong and the first from Malaysia visited the UK during the year. IBB also organised its first journalists' mission which visited UK regions and comprised a number of London based correspondents representing various Asia Pacific newspapers and publications.

64. In Europe three investment seminars were held, two staged in Germany and one in Copenhagen. There were three inward missions from Germany (two multiplier and one industrialist). Additionally, in Europe the Bureau organised three inward missions: two missions of German industrialists and one of French journalists. In addition the Bureau participated at the Hannover Fair and the Scandinavian Technical Fair, and held commercially sponsored investment seminars in Paris and in Gothenburg. In North America the IBB continued to pursue an extensive programme of visits to potential investors and the Bureau's Regional Inward Investment Teams (RIITs) were involved in a total of twenty four seminars.

65. Also, in the course of the year the IBB has been further developing an International Investor Development Programme with other Government Departments, DTI Sponsor Divisions, Government Offices, Regional Agencies and overseas Posts to better co-ordinate and strengthen existing "aftercare" activities and to establish long term relationships with the senior management of existing overseas owned companies in the UK.

66. It is not possible to provide a comprehensive figure for the amount of foreign investment made in the United Kingdom in 1996/97, since not all such investment is notified to the Department, particularly when it takes place outside the Assisted Areas or involves expansions on existing sites. However, during the year ended March 1997 the IBB recorded a total of 483 decisions to invest or expand investment in the United Kingdom with 93,724 jobs associated. These figures are based on information provided by the companies at the time of the announcement to invest and include only those projects where the IBB and its regional partners were involved or which have come to their notice. They take no account of subsequent developments.

67. 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 1997 offers of £257 million were made under Section 7 to such companies for 160 projects estimated to cost £2,505.6 million.

Publication of Assistance Offered

68. Details of offers of Regional Selective Assistance against which first payments were made during the year to 31 March 1997 were published in Labour Market Trends issued in January, April and July 1997. Publication was limited to offers of grant of £75,000 or more.

Commentaries by the Industrial Development Advisory Boards and Industrial Development Boards

Industrial Development Advisory Board

69. 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.

70. The Board has continued to give advice on the provision of selective financial assistance under sections 7 and 8 of the Act. Six meetings were held to discuss eight applications for assistance, all under section 7 of the Act. The Board recommended support for seven of them.

71. The Board welcomed the fact that amongst the projects considered were a number of significant inward investment opportunities including the BMW/Rover engine plant. On this, as on other large projects, selective assistance was considered in the context of the support available from the public sector which included support for training and property regeneration. The Board approved the development of this packaging approach to public sector support for major projects which they recognised helped to make the most effective use of public funds to secure employment opportunities and economic regeneration in

the Assisted Areas. The Board also strongly endorsed the efforts made to see that the projects supported added maximum possible value to the local economy.

72. A one-day seminar for IDAB and IDB members from the regional boards, was held in February and was addressed by the then Minister for Industry, the Rt Hon Greg Knight MP. The seminar provided an opportunity for board members to review DTI's policies and procedures in areas relevant to their work. This was a useful opportunity for a full discussion on areas of mutual interest raised. It was warmly received by all who attended.

73. The Board wishes to thank Mr Norman Ireland and Mr Jeffery Hewitt for the valuable contributions they made to the Board's activities, in Mr Hewitt's case over a period of ten years. Two new appointments were made during the year. The Board welcomes Ms Rosalind Hedley-Miller and Mr Gordon Horsfield.

SIR ANTHONY CLEAVER

Chairman

Scottish Industrial Development Advisory Board

Economic Background

74. The Scottish economy continued to make good progress in 1996 with unemployment falling and output rising. Early indications from business surveys suggest that the prospects for 1997 are good. Scottish GDP is expected to grow in 1997 and 1998, although the independent forecasts vary as to the likely level of growth, which is expected to be slightly below the UK rate in both years.

75. Scottish production industries performed well in 1996. The production and construction index (excluding oil and gas) rose by 3.6 per cent compared to 0.9 per cent in the UK. Once again, manufacturing displayed strong growth, with output in 1996 growing by 5.0 per cent (UK: 0.4 per cent). Scottish manufacturing growth was primarily driven by the electrical and instrument engineering sector, which contributed heavily to the overall positive output performance. Meanwhile, output growth was also recorded within mining and quarrying and electricity, gas and water, while by contrast, construction output fell slightly.

76. Business survey evidence presents further encouraging news for the Scottish economy. Both the Scottish Chambers' Business Survey and the 1997 CBI Industrial Trend Survey report rising business confidence. Strong manufacturing orders and sales are reported, with exports orders and sales continuing to be positive across all major markets. Retailing remained strong, although wholesaling output declined. By contrast, new orders in construction continued on a downward trend.

77. The CBI reported that orders and output rose modestly in 1997 Q1, coupled with a slight rise in exports. Capacity utilisation was at its highest level since January 1996, with investment intentions in plant and machinery also strengthening. Average unit costs were however reported to be rising, while domestic and export prices fell. The March 1997 survey of engineering in Scotland by Scottish Engineering reported strong increases in confidence across almost all its sub-sectors. Output and orders were also reported to be rising across all these sub-sectors, with export orders increasing.

78. Scottish manufacturing exports in 1995 stood at a record level of £17.32 billion, representing an increase of 20.3 per cent from 1994, according to the 1995 Scottish Council Development and Industry export survey, published in December 1996. This is the 7th successive year that Scottish manufactured exports grew quicker than those of the UK as a whole - however, the Scottish picture continues to be dominated by a small number of sectors with electronics (including office machinery, radio/TV/communication equipment), whisky and chemicals, between them representing over 75 per cent of total manufactured exports and accounting for 90 per cent of total growth in 1995. The traditional export markets of Europe and North America remain very important although exports to Japan and other Asia Pacific markets continued to grow strongly. Initial estimates for 1996 suggest a downturn due to weakened demand from principal markets and a decline in exports from the electronics sector.

79. Unemployment in Scotland continued to fall and at an accelerated rate in recent months, from 8.0 per cent in March 1996 to 6.9 per cent in March 1997, reflecting a fall of 27,500 in the number unemployed. Scotland's unemployment differential is currently 0.8 percentage points above that of the UK (at 6.1 per cent) and has been above that of the UK since February 1996.

80. Two recent employers' surveys have reported differing trends within the labour market. It should be noted that the timing, definition and coverage of the two employment surveys differ in many respects. However, both surveys agree that total employment in Scotland is around 2,250,000 and the latest business survey evidence indicates increased employment over the coming months.

81. The Labour Force Survey for Winter (December to February) 1996/97 reported an increase in total employment of 14,000 to 2,266,000 compared with a year earlier. Conversely, the employers' survey (December 1996), reported a fall in total civilian employment of 28,000 to 2,225,000, compared with December 1995. This divergence in results may have occurred as the employer-based survey suffers from a time lag in picking up the most recent employment trends.

Regional Assistance

82. In 1996–97, the number of applications for RSA was 257. This was almost identical to the previous year's total of 256. The pattern of demand by industrial sector was similar to that of previous years with demand in the electronics industry still remaining strong. The precision engineering sector has also become one of the busiest areas for applications.

83. RSA offers totalling £152.2m were accepted by companies for projects in 1996–97. These were associated with planned expenditure of £947.1m, the planned creation of some 12,760 jobs and the safeguarding of a further 4,180 jobs.

84. During 1996–97 151 applications for REG (Investment) were received and 91 offers of assistance accepted. These offers, mainly to indigenous firms, involved grants of £0.8m. In Scotland the REG (Investment) scheme closed to new applications on 31 January 1997. Similar moves have been made in England and Wales, and in all 3 countries, support will now be concentrated on RSA. In this regard, further steps have been taken to streamline the appraisal process for smaller cases, involving applications for grant up to £25,000.

85. RSA has again played a major part in encouraging overseas-owned companies to locate new plants in Scotland. It has also encouraged many of those companies already here to expand their Scottish operations. A number of companies with a long presence in Scotland announced expansions during the year, including IBM UK Ltd at Greenock, Jabil Circuit Inc at Livingston and Roche Products Ltd at its vitamin plant at Dalry, Ayrshire.

86. Plans to establish new facilities in Scotland were also announced in the course of the year by many companies, including Hyundai Electronics Industries, Lite-On Corporation, Smart Modular Technologies, Simple Technology Inc and Quintiles Scotland Ltd. Hyundai plans to establish a complex of two state-of-the-art semi-conductor facilities on a 150 acre site at Dunfermline. The first phase involves an investment of £1 billion and the creation of 1,000 new jobs. The second phase involves investment of £1.4 billion and will create a further 1,000 jobs, making it in total expenditure terms, the largest inward investment project ever attracted to the UK.

87. Although inward investment projects are often very large, this year as in previous years, the great majority of Regional Selective Assistance offers were in fact issued to indigenous firms, to whom the same criteria for assistance apply. Examples of such assistance include grants offered to Smithkline Beecham plc at Irvine and Vesuvius UK Ltd at Kilmarnock. Besides assistance offered to such relatively large firms, however, the bulk of the projects for which grant was offered were being undertaken by small and medium-sized enterprises such as Lightbody of Hamilton Ltd, Johnstone Castings & Eng Ltd, Sanmex Holdings and Carlingnose Ltd.

Board Membership

88. In January 1997 Mr D Campbell accepted re-appointment as a SIDAB Member for a further 3 years, and Professor J MacLeod was welcomed as new member. Mr P de Vink's 6 years on the Board ended on 31 December 1996 and the Board wishes to acknowledge his valuable contribution to its deliberations.

D J MacLEOD CBE

Chairman

Welsh Industrial Development Advisory Board

Industrial and Economic Background

89. Performance in the manufacturing sector in Wales was less than anticipated during 1996. Manufacturing output in quarter 3 1996 was 0.8% down on the same period of 1995 which compares with zero growth for the UK as a whole. There was a wide variation in sectoral performance in Wales with the transport equipment sector growing by 9.3% at one end of the scale while chemicals, chemical products and man-made fibres output fell by over 18% at the other.

90. Although output showed no growth, there was some increase in employment during the year. The number of people employed in manufacturing firms (plants employing 11 or more) in Wales grew by 2.2% between 1995 and 1996. The main growth sectors were transport equipment (+7.4%), electrical & electronic engineering (6.9%) and motor vehicles & parts (+4.4%).

91. Despite the apparent fall in productivity caused by employment growing faster than output, Wales remains one of the most competitive regions in the UK. Relatively low unit labour costs mean that Welsh firms are able to compete effectively, particularly in export markets. However, if sterling retains its current strength, exporters will find their situation more difficult.

92. Inward investment continues to provide a significant source of employment in Wales. In 1996, over 35% of manufacturing employment was in overseas owned plants. This compares with around 28% in 1990. Historically, the main sources of overseas investment have been the United States of America, Japan and the European Union. However, the Asia Pacific region is seen as a major potential source of inward investment.

93. Overseas owned companies continue to be attracted to investment in Wales. In addition to providing access to the Single European Market, the combination of a flexible, skilled workforce, good industrial relations, competitive costs, a strong and diverse industrial infrastructure and the support network of agencies, and the incentives designed to attract and assist foreign investors, provide an attractive blend of business-friendly features.

94. Unemployment in Wales fell in the year to March 1997 from 8.3% to 6.8%, compared with a current UK rate of 6.1%. Some areas of Wales still have male unemployment rates of around 15%. Welsh GDP is forecast to continue to grow at or slightly above the UK average in the medium term. Manufacturing GDP is also expected to be above the UK average. The electronics and motor vehicles sectors are expected to be among the fastest growing industries.

Welsh Development Agency: International Division

95. The Board noted that in 1996-97 Welsh Development Agency International Division recorded 136 projects, forecasting 16,857 new and safeguarded jobs, together with capital investment of £2.95 billion. Of these, the International Division of the Agency was involved in 87 projects, forecasting 15,118 new and safeguarded jobs and investment of £2 billion. (These forecasts are based upon the intentions of companies at the time of the decision to invest and take no account of subsequent developments).

96. The 136 projects comprised 45 entirely new projects, 71 expansions, two joint ventures and 18 acquisitions. They were obtained from a range of markets, with 21 coming from North America, 20 from Europe and 12 from Asia Pacific and other overseas countries. A further 83 were from elsewhere in the United Kingdom.

97. The improved performance in terms of jobs and capital investment was achieved against the backdrop of increased competition from the more traditional markets but also from the former Eastern bloc and from places like China. The continuing strong re-investment level reflects the position of Wales as a location where inward investors enjoy the experience and benefits of working in Wales and are confident in their future development. The increased competition for finite amounts of investment has meant that more effort had to be exerted to achieve the improvements this year.

Welsh Development Agency - Property

98. The availability of quality business premises and sites continues to be an important factor in Wales' ability to attract new inward investment projects and to meet the needs of expanding companies in the Principality. However, the upsurge in interest is taking up a substantial amount of available property and development land. Consequently, there are emerging shortages in some areas for land and for certain types of property which the WDA, in conjunction with other organisations and the private sector, is addressing. During 1996-97 97,200 square metres of business premises were occupied by new

or expanding companies. Of the 54,896 square metres of new floorspace created in the past year, 34,020 (62%) was for bespoke projects.

99. The Agency continued to encourage the private sector to invest in the Welsh property market, both in joint venture projects and by the planned disposal of holdings in its portfolio to the private sector. During 1996–97 joint ventures undertaken with the private sector delivered 22,128 square metres of business accommodation.

Regional Assistance

100. During 1996–97, 203 Regional Selective Assistance (RSA) applications were received (compared with 217 in the previous financial year), while 180 offers with a value of almost £107 million were accepted by companies in Wales. These projects are forecast to create 11,063 new jobs and safeguard a further 5,811, with planned investment by companies of more than £1.1 billion (there is an element of overlap between projects receiving RSA and those recorded by Welsh Development Agency International Division). The offer details do not include the project by LG, which is forecast to create 6,100 new jobs, with planned investment of £1.7 billion.

101. As far as the Regional Enterprise Grant scheme is concerned, 52 investment (RIG) applications were received with 31 offers of grant (with a total value of £0.2 million) made in-year; while 74 innovation (RIN) applications were received and 48 offers of assistance (totalling £1.1 million) made. The RIG element of the scheme was closed at the end of January 1997, following a review which concluded that better value for money and more flexible support was available through RSA. By contrast, a Welsh Office evaluation of RIN found that it was relatively cost-effective. In January 1997, RIN was brigaded with SMART and SPUR and launched in Wales under the SMART Wales banner. RIN continues to be offered as a discrete scheme and, subject to EC approval, will be made available throughout Wales.

Board Membership

102. During the year Mr G D Duncanson, Managing Director of GE Aircraft Engine Services Ltd, retired from the Board after three years service. The Board wishes to thank him for his contribution to its activities.

K HODGE OBE
Chairman

North East Industrial Development Board

Industry In The Region

103. A relatively quiet period where, for a change the most prominent announcement of a major investment came from a local firm and not from overseas. Good news came from Interconnection Systems Ltd, based in South Shields, who announced plans to double its production capacity with an investment of £120 million. Not only will this make them the largest producer of printed circuit boards in Europe and one of the largest in the World but will also directly create 1,000 new jobs.

104. While the Business Community continued to operate with quiet confidence there were a number of significant milestones which helped boost expectations for future growth. In January 1997 Nissan announced it was to bring production of a third model to its plant in Sunderland with an investment of £215 million. This will not only create 800 direct jobs and spin-off employment for UK suppliers but also further underlines their confidence in the Region.

105. Renewed optimism returned to the offshore and ship-repair sectors with the growth in demand for Floating Production, Storage and Offloading (FPSO) vessels. A & P Appledore, AMEC, SLP Engineering and Swan Hunter all secured new orders for FPSO and other ship conversions. The de-commissioning of dis-used oil and gas production structures is also an area where Regional companies see their mix of traditional skills and experience placing them well to attract future orders. This optimism and opportunity was recognised with the acquisition of McNulty Offshore by the Norwegian Company, Aker Oil and Gas, with promises of not just safeguarding the existing 400 jobs but creating further employment.

106. The chemical industry continued to make the news through the Teesside Chemicals Initiative (TCI) which lobbied strongly for a new gas pipeline from the Elgin/Franklin fields in the Central Graben area of the North Sea to be landed at Teesside. While commercial pressures resulted in the pipeline going elsewhere in the UK Teesside also benefited. Almost 1,500 jobs will be created as a result of 2 contracts

from these fields worth £300 million being placed locally and the oil companies agreed to make provision in the new pipeline to allow Teesside to be connected in the future. The debate surrounding this issue also resulted in a commitment to establish a high profile group amongst the oil & gas and chemical interests to look at the future provision of raw material feedstocks for the chemical industry. The TCI will be represented on this group.

Inward Investment

107. During the year the largest investments have come mainly from the expansion of existing facilities e.g. Alcan Aluminium (Canada), Du Pont (USA), Nippon Silica Glass (Japan) and International Cuisine (Singapore) and major acquisitions e.g. McNulty Offshore by Aker Oil & Gas and Integrated Micro Products by Sun Microsystems. The volume of activity is reflected in the number of enquiries handled (114) and the number of visits (110) by potential investors to the Region. Compared to last year's figures this shows a decrease of 34.5 per cent for enquiries and 16.7 per cent for visits. This downward trend reflects increased competition from Europe and is in keeping with the results from other similar areas in the UK.

108. Construction of the Siemens facility continued to meet all its target milestones with production equipment being installed in November 1996 and the first batch of test wafers coming off the production line in April 1997. While recruitment has progressed well on the site with over 650 now employed directly we have also seen the spin off benefits of this major investment being realised. Most notable was the announcement in November by the major American equipment supplier Applied Materials of their plans to invest £15 million to establish a training facility. This will benefit not only Siemens and Fujitsu (the other Regional producer) but will bring in trainees from the semi-conductor industry across Europe. In turn this enhances the infrastructure of the Region and improves the opportunities for further investment from this important sector.

109. It has been encouraging to note the number of smaller successes brought about by the cluster effect of key sectors. In the offshore sector the American company Wellstream, part of the Dresser Pumps Group, announced plans to invest £29 million in a facility to produce umbilical pipes for use by the oil and gas extraction industry. This will initially create 200 jobs but may lead to further growth if the Group decide to manufacture associated products in Europe. Also worth noting was the decision by Caterpillar to set up an earthmoving steel shoe manufacturing facility on Teesside with an investment of £8.4 million leading to the creation of 36 jobs.

110. The Region continues to achieve considerable success in overseas markets due to its rapid and flexible response to opportunities in the key markets of Western Europe, North America and South East Asia.

111. Despite the strength of sterling, business confidence amongst SMEs remained high. Towards the end of the year some major exporters reported increased competition for medium/long term orders. Increases came mainly from manufacturing, offsetting a reported decline in Service sector exports. This reversed a decrease in exports sales during much of the first half of the year.

112. The completed network of 5 Business Links with 25 outlets across the Region has been open and operational for some 15 months. TECs are also directing their business support activities through their Business Links, in some cases handing over the management and sub-contracting role to the Business Link.

113. A closer integration of partner services under the Business Link umbrella has resulted in a more cohesive range of business support services to SMEs across the Region. Front end delivery of the DTI's OTS has, in effect, been handed over to the Business Links with the secondment of GO North East DTI staff to the Links. They also continue to provide advice and guidance on other DTI support such as Regional Selective Assistance.

114. Business link Tyneside achieved full accreditation during the year and the other four Business Links are on course to achieve this.

Unemployment

115. In March 1997 unemployment in the North East was 8.7per cent, compared to the national average of 6.2per cent and the region continues to have long term structural unemployment problems. The number of unemployed fell from 125,717 in April 1996 to 99,394 in March 1997 (a fall of 21per cent). Within the region the figures vary from South Tyneside where unemployment is 12.6per cent (over twice the national average) to Hexham at 4.4per cent.

Financial Assistance

116. **Regional Selective Assistance (RSA).** During the year 247 offers of RSA to the value of £26 million were made by the Government Office towards fixed costs of £327 million (figures exclude larger cases). These projects were expected to create 6,277 new jobs and safeguard 945 others. There has been a 25per cent decrease in offers made but with little movement in the value of the offers compared to the previous year (£27 million). The level of fixed investment rose by over 40per cent from the previous year which, despite the fall in the number of offers, appears to indicate that businesses in the North East remained confident about their future.

117. **Regional Development Grants (RD).** There are no further payments expected in the NE under this scheme.

118. **Regional Enterprise Grants (REG).** The Regional Enterprise Grant Scheme ceased on 13 September 1996. Up to this date a total of 101 RIG (Investment) and 46 RIN (Innovation) applications were received, compared to 156 and 32 respectively in the whole of 1995/96. The total amount of grant paid during this scheme was £937,000. Since April 1997 responsibility for payments under this scheme has returned to the DTI from the DOE's Single Regeneration Budget. Potential future commitments amount to some £700,000.

Board Membership

119. During the year two new members were welcomed to the Board, Mr Mr K Tipping (Komatsu UK Ltd), and Mr M Stephenson (Helena Laboratories UK Ltd). One member, Mr I Dewhurst, resigned from the Board.

C J FLEETWOOD

Chairman

Yorkshire And The Humber And East Midlands Industrial Development Board

YORKSHIRE AND THE HUMBER

General

120. The general picture throughout the year was one of stable if unspectacular growth and improving business confidence, despite very competitive trading conditions. Input costs, including pay, remained generally under control but the strength of sterling was a growing concern towards the end of the year, and European firms were competing effectively in a number of domestic sectors. Trade in some EU markets, particularly France and Germany, became increasingly difficult as states attempted to meet single currency criteria, and export growth tended to occur in Asian, Indian and, to a lesser extent, North American markets.

121. Manufacturers' investment intentions remained weak, with the main aim being to cut costs and maintain efficiency savings. Investment in telecoms infrastructure and IT systems was strong but investment in training and product/process innovation also increased. By the end of the year fewer manufacturers were working below capacity, and indeed more cited lack of plant capacity as a likely constraint on output.

122. The construction industry generally remained weak with margins depressed by fierce competition, but in the second half of the year there were signs of modest improvement in the commercial, industrial and house-building sectors. Larger structural steel and construction component firms reported strong growth, particularly overseas. The Private Finance Initiative continued to attract criticism.

123. A number of specialist firms in the printing and packaging sectors did very well, but the switch from printed to digitally transmitted material continued to affect jobs. Some chemical companies benefited from lower raw material costs following last year's rises, although strong output and demand was tempered by fierce price pressures. The BSE crisis affected some food company profits, but demand was generally strong and there were signs that pressures on margins by retailers were easing.

124. Demand for workwear, industrial and automotive textiles was reasonably strong and household and carpet suppliers saw a modest improvement, although margins remained poor. The strength of sterling

led to a significant fall in export orders for wool textiles, although there was some improvement in Saudi Arabian and Japanese markets. The fashion sector continued to suffer from cheap import competition and clothing production was still being transferred overseas, most recently to the former Eastern bloc.

125. European demand for stainless and engineering steels continued to be weak and competition intense, despite a slight improvement following the end of major de-stocking by customers. Over-capacity in the stainless sector was compounded by the dumping of below cost products by Far East and mid-European producers. Output in the engineering sector generally fell, although by the end of the year order books appeared to be improving. Overseas demand was particularly strong for suppliers to the aerospace and energy industries and electronics and computer software manufacturers. Bus and coach builders and machine tool makers reported good levels of activity, although the UK caravan market was weak and heavy electrical firms and automotive-sector suppliers struggled from lack of orders.

126. Early signs of a modest recovery in retail sales growth, especially in larger stores, flattened considerably after the New Year and consumer resistance to price increases was still very strong. Financial and professional services generally did well, with the continued growth of telephone-based services, and the tourism industry showed encouraging results, particularly in North Yorkshire.

Unemployment

127. Unemployment in the region fell sharply, from 8.4% in March 1996 to 6.6% in March 1997, reflecting a drop of 38,700, but still 0.6% points above the national level. There remained wide disparities within the region; rates were generally highest in South Yorkshire, where Rotherham stood at 11.8% in March 1997, whilst most of rural North Yorkshire was below 3.5%. Despite the decrease in unemployment, job shedding continued throughout the year, particularly in manufacturing and in larger firms. There were signs that recent heavy investment in IT by the financial services sector was having a positive impact on employment levels, although there was some displacement in traditional services less reliant on IT. There were few reports of skill shortages and most of these concerned IT expertise, specialised engineering skills and suitable office staff.

Government Assistance

128. The Board believes that Regional Selective Assistance (RSA) has played a significant role in securing additional capital investment in the region. During 1996-97 a total of 208 RSA grant decisions were made, of which 57 were over £100,000. A total of 128 grant offers were accepted during the year. The volume of applications and offers was slightly lower than in 1995-96.

129. The value of offers accepted totalled £12.7 million with related project costs of £194.3 million. These projects were expected to lead to the creation or safeguarding of 3,788 jobs. Some 32 per cent of the offers made related to applications for grant of £25,000 and below. The distribution of assistance across the region shows that offers were accepted on 24 projects in Humberside, 80 projects in South Yorkshire, 8 in North Yorkshire and 16 projects in West Yorkshire. This pattern emphasises the importance of South Yorkshire within the region as the source of most RSA applications.

130. Monitoring of RSA aided projects showed that 207 project payments were made, with a payment value of £8.6 million, this included 96 successfully completed projects during the year with a payment value of £3.3 million. These projects created or safeguarded 3,141 jobs, slightly down on the forecast number of 3,238 but still a very welcome achievement.

131. The total number of Regional Enterprise Grant (REG) investment offers in 1996-97 was 91 with a value of £0.8 million. REG innovation offers totalled 97 with a value of £ 2.2 million. The total number of REG applications received was 260, composed of 106 investment and 154 innovation. The suspension of the REG scheme on 13 September 1996 brought a surge of 122 applications in the last month, 40 investment and 82 innovation. REG claims will continue to be paid by the DTI until the year 2000. The level of REG offers was similar to 1995-96 and the region was still a major beneficiary of the scheme compared to other regions.

Inward Investment and Competitiveness

132. A number of foreign-owned companies have invested in the region for the first time with the help of RSA. K & L Microwave of the USA has established a factory making components for satellite communications equipment at Bridlington - which should create at least 40 new jobs. Portola Packaging - also from the USA - is investing £11 million in creating a plastic closure manufacturing plant at Doncaster. This project should create 120 new jobs.

133. In addition during the year several expansion projects were announced by existing foreign-owned companies in the region which also attracted offers of RSA. LuK of Germany received assistance to expand

its clutch manufacturing plant near Rotherham (158 new jobs forecast) and Koyo Seiko of Japan was offered support to expand its bearings manufacturing plant near Barnsley - this should create at least 70 new jobs. The commitment of inward investors to the region, as evidenced by this type of "second phase" investment, is most encouraging.

134. We believe that inward investment has a significant role to play in improving the competitiveness of the region and in helping its economic and social regeneration. During the year the region attracted 35 inward investment projects creating more than 1,800 jobs and safeguarding some 3,500 existing jobs. The Government Office and this Board will continue to work in partnership with the Yorkshire and Humberside Development Agency (YHDA), local authorities, Training and Enterprise Councils and English Partnerships to attract new investment and to help our existing inward investors become even more successful. The Regional Supply Office for Yorkshire and the Humber, which is managed by the YHDA, has been of great help to firms within the region trying to find suppliers and in informing inward investors of local suppliers who could meet their needs.

EAST MIDLANDS

General

135. Business sentiment within the region, as monitored by the East Midlands Chambers of Commerce Quarterly Surveys and other reports, improved in the summer of 1996 and remained positive through the rest of the year. All parts of the region showed signs of steady economic growth and job creation outstripped job losses in almost all sectors.

136. Home demand, subdued in the first part of the year, increased in the latter part of the year as consumers confidence in the economy grew. But in contrast exports, whilst performing particularly strongly in the first half of the year, especially in Europe, North America and South East Asia, lost pace during the last few months of the year as a result of the strength of sterling. Investment intentions remained positive, particularly from companies upgrading facilities to improve competitiveness. The four new Enterprise Zone sites attracted in excess of 250 jobs during the year, and discussions are continuing with a number of companies interested in locating in an Enterprise Zone.

137. Developments in the coal industry have continued to attract attention throughout the year and the industry continues to face the challenges of reductions in power station consumption of UK coal stemming from environmental pressures, competition from imported coal, and gas prices at historically low levels. The BSE scare has continued to have an effect on the regional economy, the East Midlands being the country's second largest beef-producing region. However, as with Yorkshire and the Humber the industry has largely coped with the detrimental effects of the export ban; and the reduction in domestic demand has been less severe than feared - consumption has risen, albeit not to pre-BSE levels.

138. The engineering sector in general had an improved year; despite continued job losses reported at major companies such as the Brush Group at Loughborough and International Combustion at Derby. ADtranz won several important UK and international orders, and there was a continued strong performance from Rolls - Royce with several billion pounds' worth of international business being won. Inward investors such as Toyota (which embarked on a £200 million investment programme at Burnaston during the year, which will increase employment at the site to 3,000 by 1998) and Matsuura Machinery plc, Coalville, has further expanded the sector in the region. The construction and textiles sectors have shown some improvement over the year after a number of generally difficult trading years.

139. Although manufacturing continues to feature strongly in the region's economy, the service sector is fast increasing in importance. The region's location and good infrastructure favours the growth of distribution and freight companies. National Express, owners of East Midlands Airport, announced a further expansion in March of £30 million which will create 5,000 new jobs over the next ten years and the USA owned UPS opened a distribution centre in the City of Nottingham creating 300 jobs.

140. CCN, the Nottingham based credit information company, one of the city's largest private sector employers with some 2,000 employees plans to create further new jobs in the region as a result of two recent USA acquisitions and the region boasts many small IT software companies operating within a wide range of industrial and consumer markets.

141. In the retail sector, the City of Nottingham was voted the top retail centre outside central London and Glasgow and, at the end of the year, won a retailers' award for the best-run city centre.

142. Forecasts for the region are very positive. Independent analysts forecast that regional growth will continue to outperform the national average at least until the year 2000.

Unemployment

143. Unemployment in the region has again followed national trends but has typically remained around 0.6 per cent lower than the national rate. Unemployment in March 1997 was 104,200 or 5.4 per cent of the workforce, over 34,900 lower than in March 1996. Seasonally adjusted unemployment fell from 139,100 (7.2 per cent) in March 1996 to 104,200 (5.4 per cent) in March 1997.

144. The past year has seen Mansfield (9.0 per cent in March 1997) and Skegness (7.8 per cent in March 1997) consistently have the highest unemployment rates in the region, Nottinghamshire being the county with the highest overall unemployment rate. Leicestershire and Northamptonshire, as in recent years, again have the lowest unemployment rates in the East Midlands - typically around 2 per cent below the national average.

Government Assistance

145. During 1996-97 a total of 126 RSA grant decisions were made and a total of 99 grant offers were accepted, 15% above the previous year's total. The total value of assistance accepted during the year was £7.1 million against total project costs of £69 million. It is expected that 3,036 jobs will be created or safe-guarded as a result. During the year 38 projects supported by RSA were completed, creating or safeguarding 1,581 jobs.

146. Despite the suspension of the scheme, the number of applications for REG increased slightly compared with 1996/97. This resulted in assistance being offered for 92 investment and 164 innovation projects. Grants offered totalled £0.8 million for investment and £3.8 million for innovation against project costs of £6.2 million and £8.6 million respectively.

Inward Investment And Competitiveness

147. During the year, EMDC handled a total of 245 enquiries. The number of enquiries coming to EMDC direct was 162, with North America remaining the key market in volume terms and Europe showing a significant increase.

148. The region attracted 22 inward investment projects creating more than 1200 new jobs and safeguarding some 400.

149. The Regional Supply Office for the East Midlands, managed by EMDC, has brought £9.23 million of additional business to firms in the regions since it became operational in April 1995.

Government Offices

150. We believe that encouraging progress has been made in our two Regions since the integrated Government Offices were formed in 1994. Business Links have been established across both Regions and they are now helping in the delivery of export services as well as providing quality advice to Small and Medium-sized entities.

151. Integration of four Departments into the Government Offices has helped provide a more coherent service to business customers and the importance that the Offices attach to staff development was recognised by the Yorkshire and the Humber Office achieving Investors in People status early in 1997.

Membership Of The Board

152. During the year one Board member retired. Mr Philip Lowe served on the Board for five years until December 1996. He has also retired from active business life with Yorkshire Chemicals Plc. The Board wishes to thank Philip for his valued contributions as a Board member and for his service to the Region as a whole. Mrs Julie Kenny, from Rotherham in South Yorkshire, is our new member and was welcomed to the Board in January 1997.

D.K. WILKINSON
Chairman

South West Industrial Development Board

General

153. The South West is now one of the United Kingdom's best performing and most rapidly expanding regions with higher than average growth in population, GDP and business formation and in its increasing share of the national economy. While we are encouraged that recovery in the South West is now well established it is clear that within the region there remain areas where this recovery is taking place more slowly, particularly in the Development Areas. This variable picture is reflected in levels of unemployment across the region, for example, Wiltshire's unemployment rate - the lowest in the region - remains substantially below the regional average, whereas Cornwall is substantially above the average even during the summer when Cornish unemployment rates are traditionally at their lowest. In some Cornish Travel-to-Work Areas the rates are amongst the highest in the country.

154. The Board is encouraged by the extent to which both national and European funding can now be more tightly focused on those areas demonstrating the greatest need for support. The Single Regeneration Budget Challenge Fund has secured £41 million of grant in the first three rounds, including £28 million for Plymouth alone and £11.5 million for Cornwall, where eight towns are benefiting from investment to promote business development and support. The Regional Challenge Fund has resulted in excellent examples of how innovative programmes from local partnerships can give a real boost to the regional economy. The Cornwall and Devon Tourism Development Programme, with support of £4.25 million, is expected to stimulate £12 million of investment and create or safeguard nearly 7,500 jobs. The Rural Training and Information Opportunities Programme, with support of £2.3 million, will provide more training and job opportunities in rural communities and help establish the region as a leading centre for telematics. European funds continue to play an important part, especially the Objective 5(b) Programme which is designed to assist the development of rural areas and under which some £64 million of grant has been approved for over 600 projects in the last two years, including £8 million for the private sector led Bodmin Business Park which will create 60 new business units and nearly 500 jobs. We also welcome the £8.9 million available under the LEADER II programme to help develop rural communities and the £3.3 million available under the PESCA programme to assist areas affected by restructuring of the fishing industry.

155. Competitiveness is the key to commercial success in the South West and we acknowledge the effort of the Government Office in creating a regional competitiveness strategy which covers the seven counties but which has recognised the wide sub-regional variations. The action plans now emerging from the network of 20 partnership groups, made up with over 700 members, will undoubtedly help raise the competitiveness of the South West economy, complementing and adding value to the many activities already being undertaken.

156. Inward investment remains an important source of new economic activity and new skills, and we are encouraged by the extent to which the region's development organisations, Devon and Cornwall Development International and West of England Development Agency, are collectively raising the profile of the South West amongst international investors. The lack of large strategic sites remains a problem, however, in Devon and Cornwall.

157. Throughout the year 39 offers of Regional Selective Assistance totalling nearly £9.3 million have been made, providing a total of over 2,000 jobs associated with a total investment of almost £79 million.

Membership of the Board

158. During the year Mr R J Harris CBE, Mr P G Fitzgerald OBE and Mr M J Jordan left the Board, and we wish to record our thanks for their valuable contributions. Mr D J Hider, Mr M E Kelsey, Mr J B Knowles, Mrs N M Lamond, Mr T Smallwood OBE and Mr P J Tizzard joined the Board as new members.

P J TIZZARD

Chairman

West Midlands Industrial Development Board

General

159. The latest available figures indicate that manufacturing industry in the West Midlands accounts for 26 per cent of all employment and over 31 per cent of the region's GDP. Of the rest of the UK, only in the North region does manufacturing exceed 30 per cent of GDP. For the UK as a whole, manufacturing industry provides 18 per cent of employment and contributes 22 per cent to GDP.

160. The region has seen a steady increase in demand for its manufactured goods during 1996/97 and the indications from the February 1997 CBI Regional Trends Survey are that manufacturers anticipate a continuing improvement in orders. However, the strength in demand seems to be based upon the domestic side of the economy. The increase in the strength of sterling during the latter half of the year has affected export orders and significantly reduced profit margins on existing contracts. Sterling's rapid rise has reduced the competitiveness, at least in the short term, of companies seeking new export orders because they have not had sufficient time to adjust their cost profiles to offset the impact of the increase. This has manifested itself in lower than normal export order books and a reduction in optimism regarding export prospects in the short term.

161. The automotive industry is on a 20 year high and remains the region's most significant industry. There were several noteworthy items during the year. Sales of Jaguar cars (particularly the XK8 sports car) have been impressive with Jaguar enjoying its best first quarter sales figures for seven years with sales in March 1997 increasing by 18 per cent over March 1996. Exports were particularly strong with Jaguar achieving record sales in Japan and record sports car sales in the USA. Total sales of Rover vehicles exceeded 500,000 for the first time since 1988 and exports exceeded domestic sales for the first time. Land Rover sales growth continued and several notable orders were agreed including a £20 million order from the Pakistani army. Plans were submitted by Rover to build a new engine plant at the Hams Hall power station site, safeguarding 7,500 jobs in the West Midlands. LDV had a mixed year increasing output by 15 per cent during 1996 (2,300 vehicles) and exports from 800 to 1,500. A drop in sales forced them to reduce output from 450 in December to 350 in February to prevent an excessive build up of stock. This reflects the intense competition in this segment of the market and the high number of new models introduced in the first quarter of 1997. Peugeot announced that a further model would be built at the Ryton car plant in Coventry safeguarding the future of the factory.

162. Other industries in the region have had success over the last year. Brintons, the Kidderminster based carpet manufacturer, gained an order to supply carpet for the new Hong Kong Airport worth £6.5 million. This is thought to be the biggest single order for woven carpet ever agreed. Wedgwood, the Staffordshire based ceramics firm, reported a 20 per cent increase in profits stating the increase was due to the implementation of new technology and the deletion of unprofitable products. This success was mirrored elsewhere in the industry by Royal Doulton (profits up 16 per cent) and Churchill China (24 per cent up). Kalamazoo, the Birmingham based computer company, agreed a 4 year deal with Ford to supply software for their European dealer network management system. This could be worth up to £40 million in sales, potentially doubling with hardware and peripherals sales. Metabrasives opened a new £16 million foundry in Bilston containing the latest technology and safeguarding 100 jobs.

Unemployment

163. The region's unemployment position continued to improve during 1996/97. Between March 1996 and March 1997 the seasonally adjusted rate of unemployment fell from 7.7 per cent to 5.9 per cent, a fall of over 45,000 in the total (a change of 23 per cent). This compares with a fall in the rate for Great Britain as a whole from 7.9 per cent to 6.1 per cent during the same period.

164. Although all parts of the West Midlands have seen a decline in unemployment during the past twelve months, unemployment in certain areas remains significantly higher than the national average. These areas are concentrated in the West Midlands conurbation, most notably Birmingham (7.5 per cent), Wolverhampton (7.6 per cent), Walsall (7.2 per cent) and Dudley and Sandwell (7.1 per cent).

Inward Investment

165. Inward Investment continues to play an important part in the West Midlands economy and there are some 1,250 foreign owned companies located in the region. In the last year, overseas owned companies invested more than £2,520 million in the region, creating 4,279 jobs and safeguarding another 13,481. Many of the 72 projects were expansions by overseas companies already in the West Midlands. There has also been continued interest from organisations which do not yet have a presence in the region, particularly from companies based in North America and Europe.

166. There were 12 new investment projects from North American owned companies, 6 from Germany, one from Spain and one from Taiwan in the region in 1996/97. Competition for internationally mobile projects remains fierce throughout Europe. Alternative locations in Eastern Europe have featured in a number of cases but the region's strong component supply infrastructure and international professional services sector are major benefits in meeting the competition.

Regional Selective Assistance

167. The overall level of activity recorded in 1996/97 was lower than that of the previous year with 279 full applications being received, compared with 367 in 1995/96. A total of 277 decisions were taken during the year of which 188 led to offers of grant. This year saw the introduction of targets for the number of days taken to reach a decision on full applications. All of those applications involving grants of over £100,000 were completed within target and for smaller applications the out-turn was within 10% of the target. This provides a good basis for improvement in the coming year.

168. Total grant offered was £55.8 million, which includes an offer of £40 million to Jaguar Cars Ltd. The total associated investment costs were £344.5 million and it is expected that 9,689 jobs will be created and safeguarded as a result.

169. The West Midlands Industrial Development Board considered a total of 17 applications from the region and approved grant totalling £10.35 million, of which £7.25 million was for inward investment projects. The amount of grant approved for inward investment projects increased substantially from £4.9 million in the previous year.

Regional Enterprise Grants

170. During the year 128 full applications were received for REG innovation grants. 78 offers of grant were made, amounting to a total of £1.8 million. For investment grants, 66 full applications were received and 43 offers were made totalling £458,259. The REG scheme closed nationally to new applications on 13 September 1996.

Membership

171. During the year Mr R J Dickens continued in the role of Chairman. The year saw the departure of Mr R G Hodgson CBE, who resigned from the Board owing to other commitments. Thanks are due to him for his past contributions. Mr J W G Hunt and Mr R Small joined the Board as new members.

R J DICKENS CBE, D.L.
Chairman

North West Industrial Development Board

General

172. This report covers the Government Office regions of the North West and Merseyside. The regional economy, in the earlier part of 1996/97 was characterised by relative flatness which nevertheless contained a number of encouraging performances by local companies. Demand was fairly buoyant during the latter part of 1996 but although order-winning performance was sound in the Home market during the first quarter 1997, the strength of sterling was having a dampening effect on exports. There was some easing in terms of sterling's value against the Dollar but the chief impact was the considerable strengthening against the DMark. With overall demand comparatively weak in Germany and other European locations, winning of export contracts proved more difficult affecting both larger operations and the SME sector. Useful orders, however, continued to be won on the basis of quality and service.

173. Various multi-national operations have demonstrated their commitment to the Region with impressive investment schemes. Philips is involved in a continuing £100 million development at its Hazel Grove semi-conductor site, whilst major automotive manufacturer, Vauxhall has announced its decision to spend some £300 million at its Ellesmere Port, Cheshire facility. Other notable developments include the opening of a factory for Shimadzu, Kratos Scientific Instrument Group at Trafford Park, whilst during the year construction commenced on a 26 acre site for a new European manufacturing facility on behalf of the USA based Omega Engineering at Irlam. The Japanese Kayaba Company, a major world player in the hydraulics' field set up in Warrington and some important orders were secured by VSEL in Barrow. A pleasing feature of development also was the firm commitment to investment by UK, including North-West based operations in a diverse range of sectors from nuclear fuel to specialist machine tools, from pharmaceuticals to industrial fabrics.

Sectoral Analysis

174. In spite of fierce competition, the Region's large engineering sector battled determinedly on most fronts from manufacturers of computers and hi-tech electronics to producers of a wide variety of machinery supplying a number of other essential operations such as aerospace, paper, chemicals and textiles. The aerospace industry was successful in securing significant orders world-wide in the civil aircraft field, whilst despite difficulties in the defence market the military aircraft sector maintained its position. The small ship building industry contracted further although useful work was secured. In the context of slack European demand for heavy goods vehicles, North West performance was fairly combative. The car manufacturing sector experienced mixed fortunes and there was some concern at the relatively small proportion of private buyers.

175. The region's chemical sector was highly competitive in most of its sub-sectors, whilst important progress was made in the higher tech part of textiles and apparelwear industry. There was a concerned response by some parts of the textile industry to the introduction of a new EU "anti-dumping" duty which it was claimed increase the cost of grey cotton by as much as 20 per cent, adversely affecting local firms. The paper/ printing industry performed satisfactorily, not only amongst recyclers but, with the easing of pulp prices, the wider industry. There was obvious concern within the food industry during the BSE crisis. The food, drink and tobacco sector undertook or announced capacity reductions, although speciality operators in particular had recorded some sound performances.

176. The construction industry showed slow recovery with refurbishment and similar schemes to the fore, although the housing sector showed relatively modest improvement. The retail performance was variable although there were spells of brisk high street spending. The impact of the June 1996 terrorist bomb, in terms of reduced shopping levels, was still being felt in central Manchester. There has been some buoyancy on the corporate finance front with the North West the most active region outside London and the South East. Tourism continued as a regional strength. In January 1997 it was announced that Manchester International Airport had won approval for its £170 million second runway. All passenger rail services were privatised during the year and significant investment was forecast to upgrade the main Inter City West Coast line as well as the cross country and inter-regional services.

Merseyside

177. Positive levels of business optimism have been sustained throughout the year on Merseyside. Domestic demand has held up well - particularly for companies serving the consumer market - despite progressively weakening export sales from the third quarter following sterling's rapid appreciation. Margins, although tight, have benefited from the greater stability of input prices, with wage settlements generally held close to RPI levels. Opportunities to raise prices, however, have been substantially constrained by the intensity of competition. Investment has been largely driven by the need to secure cost savings and productivity improvements, but there have been increasing signs of investment in new capacity. Significant investments have also taken place in retailing and distribution with major new hotel developments also now underway in Liverpool. Sectorally, encouraging performances have been achieved by companies in the telecommunications, white goods and ship repair industries, with relatively buoyant demand also evident in the retailing (including home shopping) and financial services sectors. By contrast, the pressures of competition have produced job losses in a number of industries, including clothing and pools promotion. The continuing impact of the National Lottery on Merseyside's pools companies is a source of particular concern. Revised demand levels have also led to further rationalisation of the area's major car producer, Ford (Halewood). Although the decision not to locate production of the replacement Escort on Merseyside is disappointing, the prospect of securing the manufacture of a new volume vehicle from the year 2000 provides encouragement for the plant's long-term future.

178. The Board has been pleased to note the further progress achieved in implementing the Objective 1 programme, and the conclusions of the Mid-Term Evaluation that the programme remains broadly on course to achieve its lifetime targets. Notably, during the year, Objective 1 funding helped secure better access to finance by the region's SME community through the launch of the flagship Merseyside Special Investment Fund (MSIF), which offers much needed "gap" funding for local companies. MSIF is, in part, responsible for an increased level of RSA activity in Merseyside with decisions considerably higher than forecast. Improved conditions for business growth are also in prospect as the result of a number of key development proposals such as the new "Media Factory" for advanced communication and technology industries at Chavasse Park, Liverpool, and the major new business park planned for Speke-Garston.

179. The Board also welcomes the progress which the Government Office for Merseyside and its partners have made in ensuring that the co-ordinated Action for Competitiveness Strategy and key activities have moved forward. The partnership workshop on 21 February noted progress to date and suggested a range of key issues which will be taken forward as the enhanced competitiveness agenda for Merseyside.

Unemployment / Employment Trends

180. The seasonally adjusted number of unemployed claimants for the North West fell by 46,700 between March 1996 and March 1997. Some 35,900 of this fall occurred in the last six months of the period. On an unadjusted basis, unemployment in the North West Standard Region stood at 198,100 unemployed claimants or 6.8 per cent in March 1997. In the GO North West Region the unemployment rate was 5.9 per cent and in GO Merseyside 11.1 per cent. The GB average was 6.1 per cent. There were variations within the wider combined GO Regions, notably Liverpool 11.1 per cent and Workington 9.8 per cent at the higher end of the scale contrasting dramatically with Clitheroe 2.1 per cent and Windermere 1.8 per cent.

Regional Grants

181. Demand for grant aid saw a slowing in applications in the final half year in the GO North West region whilst a high level of applications was maintained throughout the year in the GO Merseyside region. The number of applications for RSA totalled 381 during 1996/97 compared with 412 in 1995/96. Offers numbered 313 (1995/96 - 337) representing grant of £36.9 million in respect of projects involving capital expenditure of £393 million creating 5955 jobs and safeguarding 5807 existing jobs (last year £31.9 million, £328 million, 7212 and 2060). Over 88 per cent of the number of offers were made to businesses employing under 200 people (last year 90 per cent). Over 46 per cent of offers made were for grants of £25,000 or less (last year 47 per cent).

182. The suspension of the Regional Enterprise Grant scheme in September 1996 led to an influx of last minute applications. In September alone 90 applications were received with 57 applications received on the final day of the scheme. The backlog of applications was dealt with before the end of the financial year. The previous trend of an increasing proportion of Innovation projects continued with 107 projects approved representing offers of £2.4m. This compared to 93 projects and £2.1m grant in 1995/96. There were 37 offers in respect of Investment projects amounting to £335,000 (77 offers and £591,000 last year).

Inward Investment and Competitiveness

183. During the period, RSA was granted to 20 inward investment projects in the North West involving a total investment of over £179.34 million and the creation/safeguarding of over 5,500 jobs. INWARD, the regional development organisation, had a direct involvement in seven of those cases. The Board was pleased to learn that INWARD attracted a total of 31 projects involving capital expenditure of £68.47 million and the creation of 1,368 direct jobs.

184. The Board welcomes the 'Action for Competitiveness' framework documents for the North West and Merseyside launched in July with the full involvement and support of the Government Offices partners and linking closely to the North West Partnership's updated Regional Economic Strategy - also launched in July. The Board strongly supports the approach of defining priority actions and setting specific targets as well as the intention to review progress - with partners in the coming year.

TEC's and Business Links

185. The significant impact that the TEC and Business Links made in the further development of business support services in the region was welcomed by the Board. It was also pleased to note the enhanced support available to North West companies with the completion of the Business Link network which had a total of 33 outlets. Further improvement in the provision of business support in the region came as a result of funding announced in the Government's second Competitiveness White Paper; eight partnerships were successful in attracting almost £900,000 leading to the introduction of a range of new services.

186. Following last year's Government review of business support schemes the Local Competitiveness Challenge was launched to improve competitiveness of businesses by promoting and supporting business excellence and innovation through people, technology, markets and finance. 59 North West bids were received and the 20 which were approved will result in over £3.3 million of funding being provided during the next three years.

187. The Regional Supply Network, a totally integrated service within North West TEC's and Business Links, continued to develop and the Board was pleased to note that it had again exceeded expectations with £29 million of business awarded against a target for the year of £13 million.

Export Performance

188. A North West Regional Export Forum has been established and has agreed a strategy to assist exporters and would-be exporters to increase sales and investment overseas. An implementation plan is being prepared to focus activities on sharing opportunities, minimising duplication and increasing market penetration.

189. Coverage of all Business Links by Export Development Counsellors to complement the region-wide delivery of Overseas Trade Services is moving towards completion. The immediate priorities are to consolidate the good progress made towards delivering an integrated service and to successfully implement the Local Competitive Challenge project for Developing Exports in Wigan.

Membership

190. Derek Davies (Chairman) and Ted Williams retired from the Board during the year. Derek served on the Board for a total of seven years, the final five years as Chairman. Ted served as a member for one year. Fellow members join with me in thanking them both for their valuable contributions during their time in office.

G N ELLIOTT
Chairman

Eastern Region Industrial Development Board

General

191. Most businesses in the Eastern Region reported increased sales during the year and are cautiously optimistic about further growth. However, the south, west and centre of the region are more buoyant than the east and north.

192. Order books for domestic customers appear strong. However, the strength of sterling in the latter part of the year has led to an overall decline in the export market. Manufacturing has been affected more than the service industry.

193. There has been little pressure on input costs, with suppliers generally holding prices down. Output price increases have been constrained by competitive pressures. Pay settlements have been in the range of 3%-4% but where there are skills shortages, pay rates are showing signs of increasing.

Sectoral Analysis

194. Confidence amongst manufacturers has risen following a sharp drop in 1995. Pharmaceuticals and chemicals, telecommunications and producers of consumer goods have all reported more buoyant market conditions.

195. The Region's automotive industry, received a welcome boost in December with the announcement that a new range of vans is to be made at the IBC plant in Luton. A joint venture between General Motors and Renault will create 900 new jobs and safeguard some 1,800 jobs.

196. Reports from the engineering sector have varied. Although there has been no shortage of short-term contracts, the lack of long-term contracts has caused uncertainty.

197. The construction industry is recovering slowly. Firms are anticipating firmer demand later in the year.

198. There has been a marked improvement in the property market during the year, particularly in the residential market. During 1996, there was a significant increase in the demand for electricity; the annual growth rate was 3% compared with 1.5% in 1995.

199. In line with national trends, the service sector in the Eastern Region has performed more strongly than the manufacturing sector. Increased activity has been reported in financial services, distribution, tourism and IT with the pace of growth being much sharper in the past six months.

Inward Investment

200. Until now efforts to attract new investment to the Eastern Region have been hampered because the Region has not had its own inward investment agency. However, in April this year the East of England Investment Agency was established. The Agency will promote and develop the East of England as a world-class inward investment location. It will be concerned both with attracting new investment and also with retaining existing investment by providing an aftercare service.

Unemployment

201. There has been a continuous decline in the numbers of people registered as unemployed over the last 12 months. The numbers of unemployed claimants in the Eastern Region fell by 45,000 between April

1996 and April 1997. Throughout the year the unemployment rate has been consistently below the UK average and is currently 4.7 per cent (April 1997) compared with 6.0 per cent for the UK. However, there continues to be long standing unemployment problems in the Region's Intermediate Assisted Areas; Clacton (8.7 per cent), Harwich (10.6 per cent), Great Yarmouth (10.0 per cent) and Wisbech (7.1 per cent). Although unemployment in these areas is high, the trend is downwards.

Government Assistance

202. Regional Selective Assistance. - During the year 31 offers of Regional Selective Assistance were made totalling £2.8 million. These offers were expected to stimulate an additional investment of £15.9 million and to lead to the creation of 610 new jobs and the safeguarding of a further 318. Approximately 45 per cent of offers were for grants of less than £25,000.

203. During the year covered by this report, the Board held five meetings and considered five cases involving grants ranging from £0.12 to £0.65 million.

204. REG (Innovation). Prior to the suspension of this scheme in September 1996, 11 offers were made during the year totalling £0.2 million. This year's offers were expected to induce further investment on research and development of £0.5 million.

Membership of the Board

205. The appointment of all Board members, except the Chairman, expired on 31 December 1996. Nine members were re-appointed and three retired. A number of new appointments are now under consideration. I would like to record my appreciation for the support and contribution received from all members and officials of the Government Office for Eastern Region.

Summary

206. The Board looks forward to continue making a constructive contribution to the regional economy during the next year.

E E ANSTEE

Chairman

London And South East Industrial Development Board

LONDON REGION

General

207. A positive economic trend has continued during the course of the year. The services sector is maintaining growth with accountancy, computer services and consultancy performing particularly well. Manufacturing output at best appears to have remained flat. London's GDP remained at around 15 per cent of the national GDP. Prominent sectors in this contribution were:- Paper and printing, Electrical, Optical, Machinery, Food, Beverages, Chemicals and Fibres.

Unemployment

208. The rate of unemployment in March stood at 7.2 per cent compared to 6.2 per cent for the UK as a whole. In the three assisted areas in London, the rate is around 9 per cent. From 1993 to 1996 manufacturing employment in London rose 4.8 per cent while services employment rose by 5.4 per cent. Firms across many sectors have been recruiting but suitable candidates are in short supply particularly for retail jobs, IT sector, construction industry and skilled engineers.

Inward Investment

209. The London First Centre has been active in seeking new investment projects for the region. A notable success is Panduit Corporation's new European headquarters in the Park Royal Assisted Area. A £1.8 million investment which will create 94 jobs.

210. Other prominent successes during the period were Wembley Stadium's bid to become the new national stadium and the decision to site the Millennium Exhibition at Greenwich. Both will attract significant investment and create jobs.

Government Assistance

211. RSA. During the year 52 offers of RSA to the value of £5.8 million were made towards fixed costs of £43.3 million. These projects are expected to create 1555 new jobs and safeguard 346. During the year, 34 full applications were appraised for REG Innovation grants. 17 offers of grant were made and accepted to a total value of £375,435.

SOUTH EAST REGION

General

212. Business confidence has continued to strengthen during the course of the year with a large number of businesses intending to increase investment in plant and machinery, with companies looking to increase efficiency. Factors likely to limit investment include uncertainty about demand and an inadequate net return on investment. There has also been an increase in the number of firms intending to increase expenditure on both product and process innovation and training, indicating that South East manufacturers are looking beyond prices in order to improve competitiveness in their markets. This is reflected by improvements in the unemployment figures, a comparison of February 1996 and 1997 figures, show positive improvements being achieved in all South East Assisted Areas. This is particularly pleasing in respect of Folkestone, Dover and Deal where further job losses were announced in respect of the cross channel trade due to the impact of the Channel Tunnel.

Unemployment

213. The unemployment rate for Thanet, the South East's sole Development Area, fell from 14.2 per cent to 11.6 per cent. Similar, positive improvements, occurred in Kent's Intermediate Areas: Sittingbourne and Sheerness down from 11.4 per cent to 8.6 per cent; Dover and Deal down from 8.4 per cent to 7.7 per cent, and Folkestone down from 10.9 per cent to 9.5 per cent. Hastings in East Sussex also saw an improvement from 10.4 per cent to 8.2 per cent, and on the Isle of Wight unemployment was down from 11.6 per cent to 10.1 per cent. Unfortunately, these figures are still high in comparison with average figures for the area. The Kent average in February 1997 was 6.6 per cent and for the London and South East Region (excluding Greater London) it was 4.6 per cent.

Inward Investment and Regional Development

214. The attraction of inward investment to the region continued to play an important role with a number of new offers being made and some earlier investment intentions coming forward in physical form. The establishment of a Regional Investment Office for the area is continuing and is expected to be operational by Autumn 1997. This is seen as a key development in raising the profile of the area to overseas developers and of focusing promotional activity.

Government Assistance

215. During the year 76 RSA offers to the value of some £7 million were made to projects with a total fixed capital cost approaching £56 million. These projects are expected to result in the creation and safeguarding of over 1300 jobs. This is down on the figures for 1995/96, when a number of major projects came forward, but is an improvement on earlier years.

The Board

216. The Board which was formed in March 1995 has acted as a fora for discussion on some of the factors affecting competitiveness in London and the South-East. These discussions have been found particularly constructive and the outcome has been fed into some of the future strategy programmes for the areas.

217. Margaret Gormley and Richard Onians resigned as Board members due to an increase in work commitments and we are grateful for their contribution. There are now ten serving members of the Board.

A WILLETT
Chairman

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APPENDIX 1

Sections 11 and 15 of the Industrial Development Act 1982

Section 11

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

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

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

Section 15

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

- (a) under Parts I to 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 shall lay the report before Parliament not later than six months after the end of the financial year to which it relates.

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

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

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

APPENDIX 2

Unemployment Statistics

1996 UNEMPLOYMENT BY AA STATUS
 "(Broad base, see note (a))"

<i>GO Region</i>	<i>Number (000)</i>	<i>Per Cent</i>
Scotland		
DA	106.9	9.6
IA	33.4	9.6
NAA	54.8	5.6
Total	195.1	8.0
Wales		
DA	20.4	11.3
IA	56.3	8.0
NAA	26.0	6.9
Total	102.7	8.2
North East		
DA	106.1	10.8
IA	6.4	7.8
NAA	6.4	7.1
Total	118.9	10.3
Yorkshire & Humberside		
DA	33.0	11.4
IA	74.5	9.3
NAA	85.8	6.7
Total	193.3	8.0
East Midlands		
DA	6.4	10.9
IA	20.6	8.5
NAA	98.1	6.7
Total	125.1	6.9
Eastern		
IA	10.6	9.8
NAA	135.2	6.0
Total	145.8	6.1
South East (including London)(c)		
DA	6.3	13.0
IA	43.6	9.1
NAA	513.5	7.0
Total	563.4	7.2
South West		
DA	9.5	10.3
IA	32.3	8.6
NAA	107.3	5.6
Total	149.1	6.3
West Midlands		
DA	64.4	9.3
IA	76.2	8.4
NAA	52.1	5.3
Total	192.7	7.4
North West (including Merseyside)(c)		
DA	84.5	11.5
IA	60.0	8.4
NAA	107.6	6.4
Total	252.1	8.1
Great Britain		
DA	437.5	10.4
IA	413.8	8.7
NAA	1186.8	6.5
Total	2038.1	7.5

Notes

- (a) Unemployment data is a 12 month average over the calendar year of the claimant count, with 1995 estimates of the total workforce used in calculating the (broad) base.
- (b) DA = Development Area
 IA = Intermediate Area
 NAA = Non Assisted Area
 Assisted Area boundaries are as defined in August 1993. The Government Office regions are used.
- (c) Travel-to-work areas (TTWAs) have been attributed to regions on a best fit basis. It is not possible to split the South East/London and North West/Merseyside accurately.

APPENDIX 3

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.

No payments were made under the Original Regional Development Grant scheme for the 1995-96 period and no further payments are expected for this scheme.

Note:

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

TABLE 1 REVISED REGIONAL DEVELOPMENT GRANTS VALUE OF PAYMENTS IN GREAT BRITAIN

£'000

<i>Standard Industrial Classification Division (SIC 1980)</i>	1996-97		1986-87(a) to 1996-97	
	<i>Payments</i>	<i>Grants in relation to approved projects(b)</i>	<i>Payments</i>	<i>Grants in relation to approved projects(b)</i>
1. Energy and water supply industries	—	3,465	1,945	
2. Extraction of minerals and ores other than fuels; manufacture of metals, mineral product	89	141,964	81,603	
3. Metal goods, engineering and vehicle industries	188	553,901	337,399	
4. Other manufacturing industries	—	583,020	359,539	
7. Transport and communications	—	13,776	8,360	
8. Banking, finance, insurance, business services and leasing	—	73,852	47,325	
9. (i) Industrial research and development in specialised research establishments only	—	2,087	961	
(ii) Football pools only	—	66	24	
Other	—	67,365	40,887	
Total	277	1,439,496	878,043	

(a) From 29 November 1984.

(b) No new approvals were made in financial year 1996-97.

TABLE 2 REVISED REGIONAL DEVELOPMENT GRANTS VALUE OF PAYMENTS MADE BY REGION

£'000

<i>Area</i>	1996-97		1985-86(a) to 1996-97	
	<i>Payments</i>	<i>Grants in relation to approved projects(b)</i>	<i>Payments</i>	<i>Grants in relation to approved projects(b)</i>
Scotland	188	430,630	238,999	
Wales	89	276,135	170,829	
North East	—	288,906	194,632	
North West	—	238,377	157,586	
Yorkshire and Humberside	—	94,568	61,683	
East Midlands	—	77,261	33,933	
South West	—	33,619	20,381	
Total	277	1,439,496	878,043	

(a) From 29 November 1984.

(b) No new approvals were made in financial year 1996-97.

APPENDIX 4

Regional Enterprise Grants

Applications Received, Offers Made, Offers Accepted, and Payments Made: 1 April 1996 to 31 March 1997

1. INVESTMENT GRANTS

<i>Region/Country</i>	<i>Applications:</i>			<i>Offers:</i>			<i>Payments (£'000)</i>
	<i>Number</i>	<i>Project costs (£'000)</i>	<i>Number</i>	<i>Offer Value at Application</i>	<i>Number Accepted</i>	<i>Value of Accepted Offer</i>	
Scotland	151	9,367	97	809	91	804	614
Wales	52	3,057	31	245	29	242	182
North East	98	6,514	71	588	70	582	449
Yorkshire & Humberside	106	7,595	93	881	92	878	604
East Midlands	108	7,644	90	800	74	639	566
South West	18	1,217	15	114	18	128	194
North West	11	626	8	71	8	71	80
Merseyside	48	2,831	29	264	29	265	207
South East	13	549	16	75	17	84	93
West Midlands	61	4,829	43	458	53	533	419
Total	666	44,229	493	4,305	481	4,226	3,408

2. INNOVATION GRANTS

<i>Region/Country</i>	<i>Applications:</i>			<i>Offers:</i>			<i>Payments (£'000)</i>
	<i>Number</i>	<i>Project costs (£'000)</i>	<i>Number</i>	<i>Offer Value at Application</i>	<i>Number Accepted</i>	<i>Value of Accepted Offer</i>	
Scotland	7	380	5	118	20	470	1,785
Wales	74	4,601	48	1,083	47	1,066	764
North East	43	2,535	35	790	34	775	501
Yorkshire & Humberside	154	9,155	104	2,287	107	2,354	1,910
East Midlands	215	12,739	163	3,824	159	3,743	4,032
London	30	4,189	17	375	15	329	333
South West	37	1,859	23	499	21	479	428
North West	99	6,158	80	1,789	67	1,618	1,268
Merseyside	40	2,390	27	600	25	546	518
South East	27	1,474	18	389	15	349	543
West Midlands	125	8,750	78	1,827	74	1,727	1,183
East	13	842	11	230	12	255	345
Total	864	55,072	609	13,811	596	13,711	13,610

3. TOTAL INVESTMENT AND INNOVATION GRANTS

<i>Region/Country</i>	<i>Applications:</i>			<i>Offers:</i>			<i>Payments (£'000)</i>
	<i>Number</i>	<i>Project costs (£'000)</i>	<i>Number</i>	<i>Offer Value at Application</i>	<i>Number Accepted</i>	<i>Value of Accepted Offer</i>	
Scotland	158	9,747	102	927	111	1,274	2,399
Wales	126	7,658	79	1,328	76	1,308	946
North East	141	9,049	106	1,378	104	1,357	950
Yorkshire & Humberside	260	16,750	197	3,168	199	3,232	2,514
East Midlands	323	20,383	253	4,624	233	4,382	4,598
London	30	4,189	17	375	15	329	333
South West	55	3,076	38	613	39	607	622
North West	110	6,784	88	1,860	75	1,689	1,348
Merseyside	88	5,221	56	864	54	811	725
South East	40	2,023	34	464	32	433	636
West Midlands	186	13,579	121	2,285	127	2,260	1,602
East	13	842	11	230	12	255	345
Total	1,530	99,301	1,102	18,116	1,077	17,937	17,018

APPENDIX 5

Statistics relating to Section 7 of the Industrial Development Act 1982

The tables in this appendix follow the same format as in the last year's report.

It should be noted that the data in this Appendix includes some offers of RSA administered under s8 of the Act. These were for applications received before revision of the Assisted Areas map on 1 August 1993 from areas which lost their Assisted Areas status. For details of these cases see Appendix 7 (Table 2).

TABLE 1 PROJECT GRANTS BY ASSISTED AREA
 APPLICATIONS RECEIVED 1 APRIL 1996 TO 31 MARCH 1997
 CUMULATIVE APPLICATIONS RECEIVED 1 APRIL 1987 TO 31 MARCH 1997

Country/Region	<i>Applications Received 1.4.96 to 31.3.97</i>						<i>Cumulative Applications Received 1.4.87 to 31.3.97</i>					
	<i>Development Areas</i>		<i>Intermediate Areas</i>		<i>All Assisted Areas</i>		<i>Development Areas</i>		<i>Intermediate Areas</i>		<i>All Assisted Areas</i>	
	No.	Value (£'000)	No.	Value (£'000)	No.	Value (£'000)	No.	Value (£'000)	No.	Value (£'000)	No.	Value (£'000)
Great Britain	1,025	404,267	956	322,619	1981	726,886	9,319	3,597,966	11,012	1,760,842	20,331	5,358,808
Scotland	229	195,546	28	25,737	257	221,283	2,235	1,346,623	381	166,285	2,616	1,512,908
Wales	65	49,973	138	113,354	203	163,327	1,100	646,517	1,294	426,182	2,394	1,072,699
England	731	158,748	790	183,528	1521	342,276	5,984	1,604,826	9,337	1,168,375	15,321	2,773,201
East	—	—	39	4,494	39	4,494	—	—	168	14,580	168	14,580
East Midlands	29	4,136	99	11,317	128	15,453	193	47,290	406	40,572	599	87,862
London	—	—	73	9,276	73	9,276	1	50	217	29,921	218	29,971
Merseyside	148	69,029	—	—	148	69,029	1,205	353,287	14	1,370	1,219	354,657
North East	268	34,494	15	1,039	283	35,533	2,628	643,112	370	32,943	2,998	676,055
North West	55	8,331	186	39,423	241	47,754	590	167,183	2,378	242,329	2,968	409,512
South East	31	4,563	60	8,323	91	12,886	99	18,502	232	39,377	331	57,879
South West	14	3,167	35	8,144	49	11,311	331	57,940	643	93,133	974	151,073
West Midlands	116	20,438	163	88,220	279	108,658	453	180,587	3,371	458,195	3,824	638,782
Yorkshire and Humberside	70	14,590	120	13,292	190	27,882	484	136,875	1,538	215,955	2,022	352,830

TABLE 2 PROJECT GRANTS BY ASSISTED AREA
OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1996 TO 31 MARCH 1997
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1987 (1) TO 31 MARCH 1997

Country/ Region	Offers Accepted 1.4.96 to 31.3.97						Cumulative Offers Accepted 1.4.87 to 31.3.97					
	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment (2)		Payments 1.4.96 to 31.3.97 (£'000)	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment (2)		Payments 1.4.87 to 31.3.97 (3) (£'000)
				New	Safeguarded					New	Safeguarded	
Great Britain:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	76,405
Development Area	819	313,149	2,302,251	30,387	12,929	149,747	6,638	2,032,024	16,034,621	227,680	85,902	1,273,168
Intermediate Area	710	109,678	1,514,589	17,447	11,851	67,704	8,017	865,318	9,353,115	175,463	86,552	625,819
Total	1,529	422,827	3,816,840	47,834	24,780	217,451	14,655	2,897,342	25,387,736	403,143	172,454	1,975,392
Scotland:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	21,488
Development Area	194	145,222	885,281	12,460	3,321	70,652	1,761	859,351	6,366,412	87,714	30,553	495,497
Intermediate Area	14	7,020	61,793	298	858	1,691	313	105,824	1,019,457	15,149	10,951	66,314
Total	208	152,242	947,074	12,758	4,179	72,343	2,074	965,175	7,385,869	102,863	41,504	583,299
Wales:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	11,761
Development Area	67	52,907	230,746	3,815	1,546	25,794	814	432,999	2,322,144	40,296	15,588	267,527
Intermediate Area	113	54,033	873,937	7,248	4,265	22,052	1,008	264,886	3,230,559	42,061	22,467	172,326
Total	180	106,940	1,104,683	11,063	5,811	47,846	1,822	697,885	5,552,703	82,357	38,055	451,614
England:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	43,156
Development Area	558	115,020	1,186,224	14,112	8,062	53,301	4,063	739,674	7,346,065	99,670	39,761	510,144
Intermediate Area	583	48,625	578,859	9,901	6,728	43,961	6,696	494,608	5,103,099	118,253	53,134	387,179
Total	1,141	163,645	1,765,083	24,013	14,790	97,262	10,759	1,234,282	12,449,164	217,923	92,895	940,479

(1) Information prior to 1987-88 can be obtained from earlier Annual Reports of the Industrial Development Act.

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

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

TABLE 3 PROJECT GRANTS BY ASSISTED AREAS IN ENGLISH REGIONS
OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1996 TO 31 MARCH 1997
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1987 (1) TO 31 MARCH 1997

Country/ Region	Offers Accepted 1.4.96 to 31.3.97						Cumulative Offers Accepted 1.4.87 to 31.3.97					
	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment (2)		Payments 1.4.96 to 31.3.97 (£'000)	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment (2)		Payments 1.4.87 to 31.3.97 (3) (£'000)
				New	Safeguarded					New	Safeguarded	
East:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Intermediate Area	32	3,174	17,687	642	348	1,177	122	7,469	45,187	1,387	1,223	3,377
East Midlands:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Development Area	26	2,135	13,051	545	26	2,927	118	12,425	123,849	3,249	623	9,826
Intermediate Area	74	5,038	56,499	1,244	236	3,053	296	18,184	213,735	4,732	3,242	9,407
London:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Intermediate Area	31	4,037	39,293	704	752	2,628	122	12,885	108,530	3,028	1,565	4,453
Merseyside:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	2,066
Development Area	85	6,958	62,773	958	804	6,907	655	94,773	760,978	12,861	9,378	84,010
Intermediate Area	—	—	—	—	—	70	7	474	3,480	118	5	298
North East:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	39,204
Development Area	223	40,557	672,754	7,572	2,149	20,828	1,898	348,076	4,381,569	50,158	11,985	243,835
Intermediate Area	16	795	13,481	121	308	1,873	273	17,216	170,455	4,470	1,580	21,208
North West:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	1,400
Development Area	45	3,870	26,998	542	221	6,448	477	88,695	573,659	9,317	7,520	69,856
Intermediate Area	148	9,225	121,091	2,364	678	8,365	1,727	101,617	1,120,715	22,918	12,856	85,005
South East:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Development Area	32	6,185	72,577	723	346	1,634	75	9,843	94,672	1,322	437	3,060
Intermediate Area	53	5,433	64,445	1,180	1,226	1,878	163	12,816	136,054	2,878	1,775	4,889
South West:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	487
Development Area	10	2,911	11,784	307	53	1,775	207	25,961	102,891	3,790	479	22,252
Intermediate Area	28	5,622	55,145	940	628	5,137	399	53,565	432,672	11,045	2,368	34,277
West Midlands:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Development Area	77	46,589	232,435	2,352	4,103	9,677	313	78,358	516,774	6,804	6,831	15,028
Intermediate Area	105	6,716	94,710	1,218	1,174	14,227	2,586	188,311	1,906,743	48,868	19,759	147,927
Yorkshire and Humberside:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Development Area	60	5,815	93,852	1,113	360	3,106	320	81,543	791,673	12,169	2,508	62,278
Intermediate Area	96	8,585	116,508	1,488	1,378	5,552	1,001	82,071	965,528	18,809	8,761	76,338

(1) Information prior to 1987-88 can be obtained from earlier Annual Reports of the Industrial Development Act.

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

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

TABLE 4 PROJECT GRANTS — EMPLOYMENT
CUMULATIVE OFFERS ACCEPTED 1 APRIL 1987 TO 31 MARCH 1995
PAYMENTS AND EMPLOYMENT CREATED OR SAFEGUARDED 1 APRIL 1987 TO 31 MARCH 1997

Country/Region	Offers Accepted 1.4.87 to 31.3.95			Offers Accepted 1.4.87 to 31.3.95 where some payment made up to 31.3.97				
	No.	Value (£'000)	Forecast (1) Employment	No.	Value (£'000)	Forecast (1) Employment	Total Payments to 31.3.97 (£'000)	Employment created and safeguarded to 31.3.97
Great Britain	11,352	2,160,313	443,608	9,883	1,916,801	387,385	1,463,581	323,129
Scotland	1,659	719,330	114,781	1,416	633,589	99,461	453,291	79,003
Wales	1,465	531,892	93,500	1,172	457,267	79,469	346,845	65,769
England	8,228	909,091	235,327	7,295	825,945	208,455	663,445	178,357
East	45	3,022	1,017	40	2,868	968	2,153	872
East Midlands	227	15,459	6,429	187	12,889	5,248	11,019	4,578
London	37	2,513	1,017	33	1,934	762	1,584	749
Merseyside	491	73,702	17,441	423	60,406	14,570	52,237	12,791
North East	1,597	262,650	49,458	1,433	248,591	45,873	200,842	36,693
North West	1,801	159,942	43,774	1,637	145,475	39,027	119,931	35,744
South East	57	3,594	766	48	2,809	584	2,055	525
South West	520	60,417	13,326	451	52,518	11,327	42,972	9,944
West Midlands	2,430	189,369	66,831	2,119	168,922	58,894	127,447	50,791
Yorkshire and Humberside	1,023	138,423	35,268	924	129,533	31,202	103,205	25,670

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

TABLE 5 PROJECT GRANTS(1) IN GREAT BRITAIN BY TYPE OF INDUSTRY
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1987 (1) TO 31 MARCH 1997

Standard Industrial Classification (SIC) 1992		Cumulative Offers Accepted 1.4.87 to 31.3.97					
Class/Description	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast (2) Employment		Payments 1.4.87 to 31.3.97 (3) (£'000)	
				New	Safeguarded		
01-05 Agriculture, hunting, forestry and fishing	37	1,682	15,316	501	127	1,085	
10-14 Mining & Quarrying	50	6,423	51,210	960	132	4,243	
15-37 Manufacturing:							
15-16 Food, beverages & tobacco	875	211,541	1,431,943	30,534	13,464	152,923	
17-19 Textiles, clothing, leather & footwear	1,152	122,824	863,256	27,430	11,424	94,296	
20-22 Wood, paper, printing & publishing	1,477	175,946	1,752,840	24,461	11,114	141,796	
23-25 Coke, petroleum, nuclear fuels, chemicals, m.m.fibres, rubber & plastic	1,565	340,873	3,432,329	40,402	22,935	253,102	
26 Non-metallic mineral products	437	71,653	717,912	9,303	5,947	47,211	
27-28 Metals & fabricated metal products	2,838	254,318	2,068,716	42,318	22,670	187,940	
29 Machinery & equipment nes	1,305	214,446	1,643,893	28,890	17,618	153,195	
30-33 Electrical & optical equipment	1,403	804,461	7,856,588	92,491	28,364	485,028	
34-35 Transport equipment	637	373,394	3,113,009	34,979	27,416	250,022	
36-37 Other manufacturing	735	63,810	459,592	14,234	3,655	43,154	
40-41 Electricity, gas & water supply	9	1,373	8,212	199	85	1,126	
45 Construction	246	10,024	75,247	3,416	442	7,946	
50-52 Wholesale & retail trade, repairs	613	63,929	580,860	13,496	2,859	38,146	
55 Hotels & restaurants	28	2,447	17,280	461	62	1,683	
60-64 Transport, storage & communication	174	22,799	195,317	6,543	544	15,217	
65-67 Financial intermediation	54	50,219	405,249	11,715	1,223	28,622	
70-74 Real estate, renting & business activities	789	63,745	418,204	15,236	1,660	36,077	
75-99 Other Services	231	41,435	280,763	5,574	713	32,582	
Total	14,655	2,897,342	25,387,736	403,143	172,454	1,975,392	

(1) Information on closed schemes and on Project Grants prior to 1987-88 can be obtained from earlier Annual Reports of the Industrial Development Act.

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

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

TABLE 6 PROJECT GRANTS BY COUNTRY
APPLICATIONS, OFFERS ACCEPTED AND PAYMENTS MADE 1993-94 TO 1996-97

Country	Financial year of application, acceptance or payment	Applications			Offers Accepted (1)				Payments (3) (£'000)
		No.	Value (£'000)	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast (2) Employment		
							New	Safeguarded	
Great Britain:	1993-94	2,228	625,255	1,420	337,010	2,220,364	38,538	20,789	214,548
	1994-95	2,094	579,149	1,605	309,675	2,814,509	41,978	17,637	247,087
	1995-96	2,307	672,202	1,774	314,201	3,685,774	41,198	18,177	236,951
	1996-97	1,981	726,886	1,529	422,827	3,816,840	47,834	24,780	217,451
Scotland:	1993-94	307	123,373	239	127,049	773,434	11,076	6,223	69,045
	1994-95	307	152,567	246	113,186	1,196,877	12,396	3,810	77,018
	1995-96	256	233,315	207	93,602	806,379	9,138	3,511	70,085
	1996-97	257	221,283	208	152,242	947,074	12,758	4,179	72,343
Wales:	1993-94	313	144,545	191	93,267	525,430	8,020	4,814	50,838
	1994-95	178	55,359	173	38,229	261,506	4,331	2,186	56,950
	1995-96	218	92,849	177	59,053	563,041	6,569	3,469	54,189
	1996-97	203	163,327	180	106,940	1,104,683	11,063	5,811	47,846
England:	1993-94	1,608	357,337	990	116,694	921,500	19,442	9,752	94,665
	1994-95	1,609	371,223	1,186	158,260	1,356,126	25,251	11,641	113,119
	1995-96	1,833	346,038	1,390	161,546	2,316,354	25,491	11,197	112,677
	1996-97	1,521	342,276	1,141	163,645	1,765,083	24,013	14,790	97,262

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

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

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

TABLE 7 PROJECT GRANTS IN ENGLISH REGIONS
APPLICATIONS, OFFERS ACCEPTED AND PAYMENTS MADE 1993-94 TO 1996-97

Country	Financial year of application, acceptance or payment	Applications			Offers Accepted (1)				Payments (3) (£'000)
		No.	Value (£'000)	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast (2) Employment		
							New	Safeguarded	
East:	1993-94	27	4,584	10	240	1,611	59	2	18
	1994-95	48	2,868	35	2,782	18,115	439	517	383
	1995-96	54	2,634	45	1,273	7,774	247	356	1,782
	1996-97	39	4,494	32	3,174	17,687	642	348	1,177
East Midlands:	1993-94	107	25,764	38	3,894	40,961	1,116	316	705
	1994-95	69	13,761	51	5,546	53,229	1,182	817	3,109
	1995-96	101	10,866	87	7,977	86,639	1,514	1,852	3,053
	1996-97	128	15,453	100	7,172	69,550	1,789	262	5,980
London:	1993-94	18	2,469	5	116	864	34	5	8
	1994-95	42	4,942	32	2,396	20,387	920	58	353
	1995-96	85	13,283	54	6,335	47,986	1,370	750	1,389
	1996-97	73	9,276	31	4,037	39,293	704	752	2,628
Merseyside:	1993-94	143	31,372	79	13,016	97,324	1,357	1,834	7,480
	1994-95	128	36,431	97	13,446	105,879	1,857	1,673	14,382
	1995-96	110	19,216	86	14,587	125,268	2,694	465	12,385
	1996-97	148	69,029	85	6,958	62,773	958	804	6,977
North East:	1993-94	272	61,987	196	33,619	266,917	4,159	1,931	32,109
	1994-95	321	51,307	238	37,198	298,716	5,937	935	34,958
	1995-96	414	156,014	335	61,291	1,358,061	6,819	1,766	43,937
	1996-97	283	35,533	239	41,352	686,235	7,693	2,457	22,700
North West:	1993-94	357	62,143	233	18,282	146,677	3,671	2,142	13,475
	1994-95	259	33,646	222	25,260	222,054	4,374	2,635	18,126
	1995-96	292	33,415	210	17,275	203,524	3,218	1,814	10,904
	1996-97	241	47,754	193	13,095	148,089	2,906	899	14,813
South East:	1993-94	33	4,170	18	477	4,232	122	34	36
	1994-95	63	15,028	39	3,116	27,899	557	53	743
	1995-96	144	25,794	96	7,446	61,573	1,618	553	3,696
	1996-97	91	12,886	85	11,618	137,022	1,903	1,572	3,512
South West:	1993-94	121	19,805	74	8,486	31,396	1,514	222	6,481
	1994-95	104	27,580	89	14,287	87,736	2,166	914	8,238
	1995-96	63	9,960	48	10,577	85,096	2,096	332	6,733
	1996-97	49	11,311	38	8,533	66,929	1,247	681	6,913
West Midlands:	1993-94	310	107,693	190	21,339	182,559	4,024	1,984	13,826
	1994-95	355	144,983	249	31,702	283,726	4,784	2,890	13,741
	1995-96	353	34,086	287	23,995	228,454	3,901	2,683	13,130
	1996-97	279	108,658	182	53,305	327,144	3,570	5,277	23,905
Yorkshire & Humberside:	1993-94	220	37,350	147	17,225	148,959	3,386	1,282	20,527
	1994-95	220	40,677	134	22,527	238,385	3,035	1,149	19,086
	1995-96	217	40,770	142	10,790	111,979	2,014	626	15,668
	1996-97	190	27,882	156	14,401	210,361	2,601	1,738	8,657

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

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

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

TABLE 8 PROJECT GRANTS BY UK AND FOREIGN OWNED COMPANIES
OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1996 TO 31 MARCH 1997
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1987 TO 31 MARCH 1997

Country/ Region	Offers Accepted 1.4.96 to 31.3.97						Cumulative Offers Accepted 1.4.87 to 31.3.97					
	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment (1)		Payments 1.4.96 to 31.3.97 (£'000)	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment (1)		Payments 1.4.87 to 31.3.97(2) (£'000)
				New	Safeguarded					New	Safeguarded	
Great Britain:												
UK Owned	1,369	165,004	1,311,179	27,205	11,586	113,169	13,352	1,481,885	11,532,862	268,878	103,338	1,053,684
Foreign Owned	160	257,823	2,505,661	20,629	13,194	104,282	1,303	1,415,657	13,854,874	134,265	69,116	921,708
Total	1,529	422,827	3,816,840	47,834	24,780	217,451	14,655	2,897,342	25,387,736	403,143	172,454	1,975,392
Scotland:												
UK Owned	156	46,624	265,216	4,665	2,542	25,653	1,669	410,988	2,801,413	52,577	24,983	263,356
Foreign Owned	52	105,618	681,858	8,093	1,637	46,690	405	554,187	4,584,456	50,286	16,521	319,943
Total	208	152,242	947,074	12,758	4,179	72,343	2,074	965,175	7,385,869	102,863	41,504	583,299
Wales:												
UK Owned	133	30,956	208,506	4,518	1,037	22,210	1,505	341,646	2,210,038	52,191	16,527	222,344
Foreign Owned	47	75,984	896,177	6,545	4,774	25,636	317	356,239	3,342,665	30,166	21,528	229,270
Total	180	106,940	1,104,683	11,063	5,811	47,846	1,822	697,885	5,552,703	82,357	38,055	451,614
England:												
UK Owned	1,080	87,424	837,457	18,022	8,007	65,306	10,178	729,051	6,521,411	164,110	61,828	567,984
Foreign Owned	61	76,221	927,626	5,991	6,783	31,956	581	505,231	5,927,753	53,813	31,067	372,495
Total	1,141	163,645	1,765,083	24,013	14,790	97,262	10,759	1,234,282	12,449,164	217,923	92,895	940,479
East:												
UK Owned	32	3,175	17,687	642	348	1,177	122	7,469	45,187	1,387	1,223	3,377
Foreign Owned	—	—	—	—	—	—	—	—	—	—	—	—
East Midlands:												
UK Owned	100	7,173	69,550	1,789	262	5,279	397	25,509	276,729	7,014	3,411	14,612
Foreign Owned	—	—	—	—	—	701	17	5,100	60,855	967	454	4,622
London:												
UK Owned	30	3,047	22,793	654	369	1,761	118	9,525	75,370	2,658	718	3,585
Foreign Owned	1	990	16,500	50	383	868	4	3,360	33,160	370	847	869
Merseyside:												
UK Owned	77	5,988	51,759	839	771	6,275	611	62,910	475,912	9,875	6,475	49,774
Foreign Owned	8	970	11,014	119	33	702	51	32,336	288,546	3,104	2,908	36,598
North East:												
UK Owned	222	28,625	280,678	6,073	1,547	15,658	2,025	181,119	1,630,830	37,072	9,053	136,348
Foreign Owned	17	12,726	405,557	1,620	910	7,042	146	184,173	2,921,194	17,556	4,512	167,898
North West:												
UK Owned	188	10,585	109,780	2,425	819	10,529	2,128	126,905	1,062,280	27,541	13,809	107,342
Foreign Owned	5	2,510	38,308	481	80	4,284	76	63,408	632,094	4,694	6,567	48,918
South East:												
UK Owned	81	6,083	62,361	1,148	1,226	3,392	233	16,879	154,632	3,415	1,866	7,703
Foreign Owned	4	5,535	74,661	755	346	120	5	5,780	76,094	785	346	246
South West:												
UK Owned	27	2,383	14,229	621	146	2,611	555	39,802	234,803	8,242	1,572	34,364
Foreign Owned	11	6,150	52,700	626	535	4,302	51	39,724	300,760	6,593	1,275	22,651
West Midlands:												
UK Owned	170	8,255	82,782	1,595	828	11,428	2,728	132,523	1,283,466	40,504	14,815	107,810
Foreign Owned	12	45,050	244,363	1,975	4,449	12,477	171	134,146	1,140,051	15,168	11,775	55,144
Yorkshire and Humberside:												
UK Owned	153	12,110	125,838	2,236	1,691	7,197	1,261	126,410	1,282,202	26,402	8,886	103,069
Foreign Owned	3	2,290	84,523	365	47	1,460	60	37,204	474,999	4,576	2,383	35,547

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

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

**TABLE 9 CLOSED SCHEMES
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1987(1) TO 31 MARCH 1997**

Country/Region	Old Criteria Grants (2)			OSIS Grants (3)			Training Grants (4)		
	Cumulative Offers		Payments	Cumulative Offers		Payments	Cumulative Offers		Payments
	No.	Value (£'000)	No.	Value (£'000)	Value (£'000)	Value (£'000)	No.	Value (£'000)	Value (£'000)
Great Britain	1	50	2,548	—	—	3,819	—	—	12,620
Scotland	—	—	1,890	—	—	1,217	—	—	10,050
Wales	—	—	113	—	—	1,415	—	—	389
England	1	50	545	—	—	1,187	—	—	2,181
East Midlands	—	—	—	—	—	670	—	—	—
North East	1	50	537	—	—	25	—	—	899
North West	—	—	—	—	—	319	—	—	12
South West	—	—	8	—	—	165	—	—	—
West Midlands	—	—	—	—	—	—	—	—	1,213
Yorkshire and Humberside	—	—	—	—	—	8	—	—	57

(1) Information prior to 1987-88 can be obtained from earlier Annual Reports of the Industrial Development Act.

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

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

(4) Closed to new applications from December 1988.

TABLE 10 PAYMENTS MADE BY FINANCIAL YEAR FROM 1987-88(1) FOR GREAT BRITAIN

£'000

Financial Year	Project Grants	Old Criteria Grants (2)	Training Grants	OSIS Grants (3)	Total
1987-88	141,786	1,070	6,093	2,409	151,358
1988-89	176,166	1,449	1,988	1,343	180,946
1989-90	173,475	—	2,998	67	176,540
1990-91	185,945	—	1,366	—	187,311
1991-92	192,934	—	96	—	193,030
1992-93	189,049	—	80	—	189,129
1993-94	214,548	30	—	—	214,578
1994-95	247,087	—	—	—	247,087
1995-96	236,951	—	—	—	236,951
1996-97	217,451	—	—	—	217,451

(1) Information prior to 1987-88 can be obtained from earlier Annual Reports of the Industrial Development Act.

(2) Includes Interest Relief and Removal Grants.

(3) OSIS = Office and Service Industries Scheme.

**TABLE 11 APPLICATIONS REJECTED AND WITHDRAWN 1 APRIL 1996 TO 31 MARCH 1997
CUMULATIVE APPLICATIONS REJECTED AND WITHDRAWN 1 APRIL 1987 TO 31 MARCH 1997**

Country/Region	Applications Rejected and Withdrawn 1.4.96 to 31.3.97			Cumulative Applications Rejected and Withdrawn 1.4.87 to 31.3.97		
	DA	IA	Total	DA	IA	Total
Great Britain	201	236	437	2,168	2,540	4,708
Scotland	39	5	44	323	60	383
Wales	6	21	27	254	228	482
England	156	210	366	1,591	2,252	3,843
East	—	10	10	—	42	42
East Midlands	6	18	24	66	90	156
London	—	34	34	—	45	45
Merseyside	37	—	37	430	7	437
North East	56	—	56	655	92	747
North West	5	38	43	76	499	575
South East	6	12	18	13	33	46
South West	3	10	13	118	217	335
West Midlands	31	58	89	98	762	860
Yorkshire and Humberside	12	30	42	135	465	600

DA = Development Area.

IA = Intermediate Area.

APPENDIX 6

Financial Assistance under Section 13 of the Industrial Development Act 1982

TABLE IMPROVEMENT OF BASIC SERVICES IN THE ASSISTED AREAS

Department	Service	Applications				Applications Approved			
		Brought Forward from 1995-96	Received in 1996-97	Rejected	Withdrawn	Under Consideration	Number	Estimated Cost (a) (£'000)	Estimated Grant (a) (£'000)
Department of the Environment	Sewerage	18	4	1	nil	21	3	1,804	432
	Water	3	nil	nil	nil	3	1	7	2
	Water and Sewerage	37	4	nil	nil	39	4	1,167	299
Department of Transport	Roads	9	8	3	3	8	3	2,759	576
Scottish Office Development Dept	Roads	5	2	1	nil	1	5	1,728	406
Environment Department	Sewerage	1	nil	nil	nil	1	nil	nil	nil
Welsh Office	Roads	3	4	1	nil	5	1	3,900	1,200
	Water	13	2	4	2	8	1	401	28
	Sewerage	8	2	3	2	2	3	7,661	474
Department of Trade and Industry	Electricity	1	nil	1	nil	nil	nil	nil	nil
Total		98	26	14	7	88	21	19,427	3,417

(a) These figures represent the position at 31 March 1997 for those applications approved during the year.

APPENDIX 7

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

TABLE 1 Schemes closed for applications at 31.3.97 with transactions outstanding

	Date of introduction	Closing date for applications	Applications			Number	Offers		Payments (£'000)	
			Received	Rejected or withdrawn	Under consideration at 31.3.97		Project costs (£'000)	Assistance offered (£'000)	Cumulative	Year to 31.3.97
General Certification Schemes	April'83	16.12.91	96	39	nil	57	10,864	3,182	2,973	32
Total			96	39	nil	57	10,864	3,182	2,973	32

(a) Does not include present live schemes under section 8. These are detailed individually in the report.

Note: Further details of closed schemes under s8 are to be found in Appendix 9 of the Annual Report of the Industrial Development Act 1982 for the year ended 31 March 1996, published by HMSO: London ISBN 0-10-286296-6, Price £9.00.

TABLE 2 RSA CASES UNDER SECTION 8 OF THE INDUSTRIAL DEVELOPMENT ACT 1982
APPLICATIONS RECEIVED IN TRANSITIONAL AREAS*
OFFERS ACCEPTED AND PAYMENTS MADE FOR THE PERIOD 1 AUGUST 1993 TO 31 MARCH 1997

Country/Region	Applications		Offers Accepted		Associated Project Costs (£'000)	Forecast Employment		Payments 1.8.93 to 31.3.97 (£'000)
	No.	Value (£'000)	No.	Value (£'000)		New	Safeguarded	
Great Britain	249	52,804	115	11,425	108,529	2,196	854	6,867
Scotland	—	—	—	—	—	—	—	—
Wales	40	15,052	14	3,190	21,377	293	445	2,140
England	209	37,752	101	8,235	87,152	1,903	409	4,727
East	—	—	—	—	—	—	—	—
East Midlands	34	17,579	12	1,628	16,381	339	98	727
London	—	—	—	—	—	—	—	—
Merseyside	—	—	—	—	—	—	—	—
North East	8	1,343	4	89	715	20	—	65
North West	90	7,061	45	2,214	25,949	607	200	980
South East	—	—	—	—	—	—	—	—
South West	7	1,066	2	200	851	46	—	175
West Midlands	34	5,042	15	1,082	14,646	307	68	757
Yorkshire and Humberside	36	5,661	23	3,022	28,610	584	43	2,023

* Transitional Areas are areas that were assisted before the map change on 1.8.93 and became non-assisted thereafter.

APPENDIX 8

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

During the year some changes were made to the membership of some of the Boards. The names below represent the position at 31 March 1997.

Industrial Development Advisory Board

Chairman

Sir Anthony Cleaver
Chairman, AEA Technology

Members

Mr. M. R. Bates
Chairman, Pearl Group plc
Mr. M. Bullock
Director, BZW Ltd
Dr. R. Hawley
Chief Executive, British Energy Plc
Miss R. Hedley-Miller
Group Director, Kleinwort Benson
Mr. G. Horsfield
Director, Price Waterhouse
Mr. R. Laphorne
Finance Director, British Aerospace Plc
Mr. N. Macdonald
Senior Partner, Ernst & Young
Mr. A. N. Pedder
Director Technology, ICI Plc
Mr. M. G. Taylor, CBE
Adviser, Hanson Plc

Scottish Industrial Development Advisory Board

Chairman

Mr. D. J. MacLeod, CBE, CA

Members

Mr. I. P. Bankier
Director, Burn Stewart Distillers Ltd
Mr. D. R. Campbell
Director, Enterprise Ayrshire
Mr. J. J. G. Good, CBE
Chairman, Robertson & Baxter Ltd
Mr. J. C. G. Halley, OBE
Chairman, William Halley & Sons Ltd
Mr. J. Lumsden, CBE
Director, Motherwell Bridge Group
Mrs. C. McAteer
Regional Officer, Manufacturing Science & Finance Union
Mrs. A. Middleton
Deputy Scottish Secretary, Unison Scotland
Mrs. M. Seymour
Director, Garonil Ltd
Mr. P. Timms, MBE
Director, Flexible Technology Ltd
Professor J. S. MacLeod
Partner, Ernst & Young
Professor J. Murray
Director, Stirling University Innovation Park Ltd

Welsh Industrial Development Advisory Board

Chairman

Mr. K. Hodge, OBE
Retired Corporate Director, Barclays Bank Plc

Members

Mrs. S. Drury
Finance Director, Kemitron Plc
Mr. D. G. Edwards
Managing Director, Alcan Rolled Products UK
Mr. P. R. Marshall
Senior Partner, Broomfield & Alexander Chartered Accountants
Mrs. P. M. Phillips, MBE
Divisional Officer, South Wales and South West Division USDAW
Mr. M. J. Reilly, OBE
President, Calsonic International (Europe) Ltd

North East Industrial Development Board

Chairman

Mr. C. J. Fleetwood
Group Chief Executive, Whessoe Plc

Members

Mr. E. Bostwick
Chairman, Cleveland Technologies Ltd
Mr. K. Tipping
Managing Director, Komatsu UK Ltd
Mr. M. Stephenson
Managing Director, Helena Laboratories UK Ltd
Dr. R. Iley, CBE
Director, Northern Investors Ltd
Sir David Kelly, CBE
Kelly Packaging Ltd
Mr. M. Leonard
Retired Partner, Deloitte & Touche
Mr. R. A. N. McKechnie, MBE
Chairman, Medomsley Road Seed Capital Company
Mr. R. H. Maudsley
Director, Rolls Royce Group
Sir Paul Nicholson
Chairman, Vaux Group Plc
Mr. C. Thompson
Group Managing Director, Express Engineering (Thompson) Ltd
Mr. J. Ward, OBE
Non Executive Director, Northumbria Water Group
Miss S. Wilson
Chief Executive, The Newcastle Initiative

South West Industrial Development Board

Chairman

Mr. P. J. Tizzard
Managing Director, Siemens plc

Members

Mr. N. C. H. Falls
Agent, Bristol Branch, Bank of England
Mr. D. J. Hider
Chairman, Cheltenham Renovators (rtd.)
Mr. P. W. Gregory
Labour Councillor, Bristol City Council
Mr. D. R. Hancock
Consultant

Mrs. A. M. Harris
Managing Director, Mapline Engineering (Christchurch) Ltd
Mr. M. E. Kelsey
Director & Chief Executive, Engineering Employers Western Assoc.
Mr. S. G. A. Loze
Chairman and Managing Director, Pot Black (UK) Ltd
Mr. E. J. Newton
Managing Director, John Heathcote & Co Ltd
Mr. V. Parsons, MBE
Director, Wandel & Golterman Ltd
Mr. J. B. Knowles
Managing Director, Dek Printing Machines Ltd
Mrs. N. M. Lamond
Director of Finance, Falmouth College of Arts
Mr. T. Smallwood OBE
Chairman, First Bus plc

Yorkshire and Humberside and East Midlands Industrial Development Board

Chairman
Mr. D. K. Wilkinson
Director, 3I Plc
Members
Mr. C. J. Brown
Joint Chief Executive, David Brown Group Plc
Mr. J. Clarke
Regional Director, Barclays Bank
Mr. J. R. Corrin, CBE
Chief Executive, Allied Textile Companies Plc
Ms. B. C. Hodson
Retail Managing Director, W H Smith
Mr. R. S. Lasseter
Managing Director, Shires Bathrooms Ltd
Mrs. J. A. Kenny
Managing Director, Pyronix Ltd
Mr. W. McCosh
Managing Director, Mansfield Breweries
Mr. B. Ruffell-Ward
Director, Havelock Seafoods Ltd
Mr. A. J. Stradling
Tunstall Group Plc
Mr A. B. Wilbraham, CBE
Chairman, Vista Securities Ltd

West Midlands Industrial Development Board

Chairman
Mr R. J. Dickens, CBE, D.L.
Senior Regional Partner, Midlands Region - KPMG Peat Marwick
Members
Mr. J. Avery
Divisional Manager, Midlands Electricity Plc
Mr. J. L. Bloxham
Chairman & Managing Director, Cincinnati Milacron UK Ltd
Mr. G. J. Green
Managing Director, W Canning Plc
Mr. J. T. Hill
Regional Director, Lloyds Bank Commercial Services
Mr. J. W. G. Hunt
Regional Secretary, TGWU
Mr. J. L. Hudson
Group Chief Executive, Wagon Industries Holdings Plc
Mr. J. H. Millett
Financial Controller, Land Rover Vehicles

Mr. T. A. Pickup
Managing Director, Fujitsu Fulcrum Telecommunications Europe Ltd
Mr. M. J. Price, CBE
Director, Wirax Wirewares Ltd
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