

Industrial Development Act 1982

Annual Report

by the Secretaries of State for Trade and Industry, Scotland and Wales, the First Minister of the Scottish Parliament and the First Secretary of the National Assembly for Wales for the year ended 31 March 2000

LONDON: THE STATIONERY OFFICE

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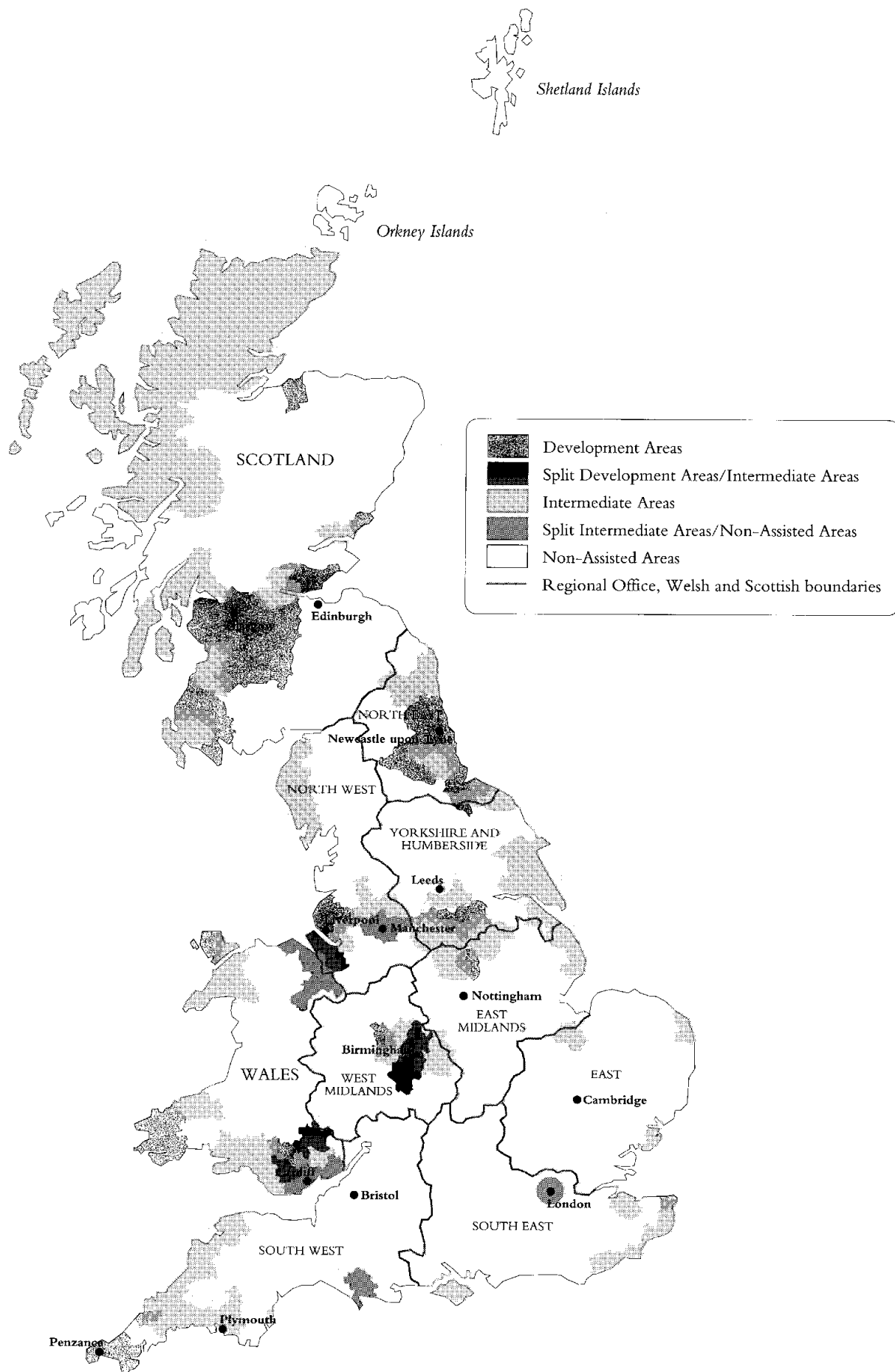
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ABBREVIATIONS

CBI	Confederation of British Industry
DA	Development Area
DTI	Department of Trade and Industry
EC	European Commission
ECSC	European Coal and Steel Community
EG	Enterprise Grant Scheme
EU	European Union
ERDF	European Regional Development Fund
ERGS	Exchange Risk Guarantee Scheme
GDP	Gross Domestic Product
GO	Government Office
IA	Intermediate Area
IBB	Invest in Britain Bureau
ICT	Information and Communication Technology
IDAB	Industrial Development Advisory Board
IDB	Industrial Development Board
ILO	International Labour Organisation
LCS	Learning & Skills Council
LIBOR	London Inter Bank Offered Rate
NFEA	National Federation of Enterprise Agencies
NVQ	National Vocational Qualification
OECD	Organisation for Economic Co-operation and Development
R&D	Research and development
RDAs	Regional Development Agencies
REG	Regional Enterprise Grant scheme
RES	Regional Economic Strategy
RIG	Regional Investment Grant
RSA	Regional Selective Assistance Scheme
SBS	Small Business Service
SIF	Shipbuilding Intervention Fund
SMART	Small Firms Merit Award for Research & Technology
SMEs	Small and medium sized enterprises
SPUR	Support for Projects under Research
TEC	Training and Enterprise Council
TTWA	Travel to Work Area
URBAN	European Regional Development Fund Community Programme for Inner City areas
WDA	Welsh Development Agency

The Assisted Areas at 1.8.93



Development Areas and Intermediate Areas as defined by DTI at 1.8.93. This map remained in place until 31st December 1999.

Industrial Development Act 1982

Joint Report by the Secretaries of State for Trade and Industry, Scotland and Wales, the First Minister of the Scottish Parliament and the First Secretary of the National Assembly for Wales

Introduction

1. As required by sections 11 and 15 of the Industrial Development Act 1982, this Report, for the year ended 31 March 2000, describes the exercise of powers under 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. As a result of the devolution legislation (the Scotland Act 1998, the Government of Wales Act 1998 and SI 1999/672), from 1 July 1999 some powers under the Act have been exercised in Scotland by the First Minister of the Scottish Parliament, in Wales by the First Secretary of the National Assembly for Wales, and concurrently throughout the UK, by the Secretary of State for Trade and Industry.

3. During the year, the Government carried out a review of the Assisted Areas of Great Britain in response to new European Commission guidelines on regional aid. The Assisted Areas Map on page vi remained in place until December 1999. As at the end of March 2000, the Government was still in discussion with the European Commission, on proposals for a new Assisted Areas Map. Pending agreement on the revised map, arrangements were put in place whereby the Industrial Development Advisory Boards and the Regional Industrial Development Boards continued to consider applications received from companies. However, any offers would be conditional on confirmation from the Commission that the location of the project was within the approved map and that the project complied with the appropriate European aid ceiling for that area.

Assistance Under Section 7

Regional Selective Assistance Scheme

4. 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, e.g. for modernisation or rationalisation, which do not provide extra jobs but maintain or safeguard existing employment.

5. 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 e.g. 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 new jobs or safeguarding existing employment through modernisation or rationalisation in the Assisted Areas. The better the quality of jobs and the more the applicant invests in employees, the bigger the value which tends to be put on them in considering a grant. The Government has announced that it will refocus RSA support more on high-quality, knowledge-based projects which provide skilled jobs;
- (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.

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

7. Projects are not normally assisted under Section 7 if adequate provision for Government assistance is made under specified schemes, e.g. 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.

8. 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 Commission.

9. The powers to provide RSA 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 were exercised by the Secretaries of State for Scotland and Wales up to 1 July 1999. Following devolution, the powers have been exercised by the First Minister of the Scottish Parliament and by the First Secretary of the National Assembly for Wales.

10. Set out below are brief details of RSA applications received and offers accepted by industry during 1999-2000. Offers may relate to applications received in prior years.

	Applications		Offers accepted	
	No.	Value £m	No.	Value £m
England	1,075	186	838	111
Scotland	361	283	249	141
Wales	172	121	139	53
Great Britain	1,608	590	1,226	305

Further details are at Appendix 2.

11. Unemployment statistics for the Assisted Areas are at Appendix 3.

Publication of Assistance Offered

12. Details of offers of Regional Selective Assistance against which first payments were made during the year to 31 March 2000 were published in Labour Market trends issued in January, April, July and October 1999. Publication was limited to offers of grant of £75,000 or more.

European Regional Development Fund

13. The European Regional Development Fund (ERDF), one of four 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 ended on 31 December 1999, for commitments and concludes on 31 December 2001, for payments.

14. Following negotiations between the Member States and the European Commission a new programming period was agreed at the Berlin Summit in 1999. This came into effect on 1 January 2000 and lasts until 31 December 2006 for the core ERDF programmes and 31 December 2005 for the transitional programmes. Transitional programmes are for those areas which received Structural Funds in the previous programming period, but do not qualify for full funding in the new period.

15. 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.

16. ERDF grants are allocated through a number of Single Programming Documents in areas defined by the European Commission under Objective 1 (areas lagging behind in development) and Objective 2

(industrial, urban and rural areas). Additional grants are made available through a number of Community Initiatives. There will be four of these in the new programming period, LEADER PLUS, INTERREG III, URBAN and EQUAL.

Assistance Under Section 8

17. House of Commons approval of an Order to raise the financial limit for Section 8 of the Industrial Development Act 1982 was in March 2000.

18. Assistance to regional industrial development continued to be given under a number of measures during the year.

Enterprise Grant Scheme

19. The Enterprise Grant (EG) Scheme in England began on 1 January 2000. It is a simplified discretionary scheme for SMEs in the Assisted Areas ('Tier 1' and 'Tier 2') and in specified non-assisted areas ('Tier 3'), referred to collectively as Enterprise Grant Areas.

20. The Scheme replaces small-scale Regional Selective Assistance (RSA) grants in England up to a maximum of £75,000 on projects with capital investment up to a maximum of £500,000. Small firms may receive up to 15% gross grant on capital investment; medium sized firms may receive up to 7.5% gross grant in Tier 3 areas and up to 15% in Tiers 1 and 2. EG grants are once-and-for-all and are intended to complement the availability of commercial funds under the Enterprise Fund which will provide risk capital to SMEs with growth potential.

21. The Scheme will run initially for three years, with the following objectives:

- (a) to develop and increase the SME base of Tiers 1, 2 and 3;
- (b) to improve the productivity and profitability of assisted firms; and
- (c) to improve the general skills level of the regional economy.

22. EG is administered by the Government Offices (GOs) in each English region with an annual budget allocated centrally by DTI. GOs seek advice from Regional Development Agencies towards prioritising projects, and are responsible for providing additional scheme criteria which reflect local needs. In addition, GOs decide the basis on which grants are awarded, e.g. competition; first come first served.

23. All applications for EG are assessed against the following criteria:

- (a) **Quality** - In general, high growth businesses seeking to maximise value added projects with quality output are given preference. It is not essential for a project to create jobs in order to qualify for EG. Specific quality targeting is subject to regional variation. Factors which may be taken into account are:
 - supply chain improvements;
 - research and development;
 - training;
 - salary levels;
 - innovation;
 - environmental sustainability;
 - national and regional benefit (projects are considered against the RDAs' priorities);
- (b) **Proof of need** - The applicant must demonstrate that the assistance is necessary for the project to go ahead on the basis proposed;
- (c) **Viability** - Businesses should be viable and projects should have good prospects of becoming self-sustaining;
- (d) **Job displacement** - Projects which are likely to create over-capacity and displace jobs elsewhere may not qualify for a grant, e.g. retail, hotel and other service sector projects which serve only local need;
- (e) **Public sector contribution** - The greater part of the cost of a project should be met by the applicant or from other sources outside the public sector.

24. Some sectors are the subject of restrictions imposed by the European Commission, e.g. synthetic fibres, vehicles, food production, agriculture, fisheries, shipbuilding, coal, iron and steel.
25. Grant is given to support investment in fixed capital up to £500,000 relating to:
 equipment, plant and machinery;
 some associated one-off costs such as the acquisition of patents;
 associated land, site preparation and buildings.
26. Replacement capital investment is excluded; and working capital also does not qualify for support.
27. Grants are usually paid in instalments related to the progress of the project and may be repayable if objectives are not met.
28. In Scotland, arrangements for the delivery of small grants will be announced after the new Assisted Areas map is agreed.
29. In Wales, the need to introduce a new small grant scheme is still being considered.

Regional Enterprise Grants (REG)

Regional Innovation Grants

30. In England, the REG (Innovation) Scheme was merged with DTT's SMART, SPUR, and SPUR Plus schemes with effect from 1 April 1997.

31. 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.)

32. In Wales, REG (Innovation) was brigaded in January 1997 with SMART, SPUR and SPUR Plus under the SMART Wales banner. It continues to be offered as a discreet scheme and was extended to the whole of Wales from 28 August 1997.

33. Payments continue to be made in England and Scotland as a result of offers made prior to 1 April 1997. Details, along with expenditure in Wales, are given in the following table.

Region/Country	Payments made in 1999/00 (resulting from offers made before scheme closed, except for Wales, where scheme continues) £,000
Scotland	0
Wales	1,479
North East	22
Yorkshire & The Humber	85
East Midlands	77
London	0
South West	0
North West (including Merseyside)	95
South East	0
West Midlands	81
East	0
Total	1,839

Regional Investment Grants (RIG)

34. RIG in Scotland and Wales closed on 31 January 1997 and merged with RSA.

35. In England, RIG was suspended on 13 September 1996. It was then integrated into the RSA Scheme on 1 April 1997 with continuing provision for those coal closure areas which were outside the Assisted Areas in the East and West Midlands. The Scheme offered fixed grants to smaller firms proposing new capital investment. RIG closed to new applications on 1 January 2000 when the Assisted Areas map expired.

36. Statistics relating to RIG can be found at Appendix 5.

Enterprise Fund

37. The Enterprise Fund has been established to ensure that entrepreneurs have access to appropriate forms of finance by creating a £180m fund to provide both debt and equity finance to UK SMEs with growth potential. The budget will provide flexible support for innovative proposals from the finance industry that meet particular SME financing needs.

38. The main elements of assistance are: -

- the Small Firms Loan Guarantee Scheme launched in 1981 (details follow)
- the UK High Technology Fund, to support early stage, high technology businesses, and
- the new Regional Venture Capital Funds, specialising in the provision of small scale equity to firms with growth potential.

Small Firms Loan Guarantee Scheme

39. 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.

40. Loans over periods of between two and ten 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% guarantee on loans of up to £250,000. For other businesses, including start-ups, the guarantee is 70% 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 % a year on the outstanding loan amount while for loans with a variable rate of interest the premium is 1.5 %.

41. 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.

42. Since the start of the Scheme in June 1981 over 71,000 loans, valued at over £2.4 billion, have been guaranteed.

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

Table 1

Guarantees Issued from Inception in June 1981 to 31 March 2000 by Region

<i>Region</i>	<i>Number</i>	<i>Value (£m)</i>
Scotland	4912	222.657
Wales	3569	113.686
North East	3093	95.99
Yorkshire & The Humber	5430	179.201
East Midlands & East	8630	303.259
London & South East	22696	843.753
South West	9130	294.93
West Midlands	6218	203.805
North West	7054	234.292
Northern Ireland	675	33.715
Total	71407	2525.288

Table 2

Guarantees Issued from 1 April 1999 to 31 March 2000 by Region

<i>Region</i>	<i>Number</i>	<i>Value (£m)</i>
Scotland	526	29.387
Wales	218	10.286
North East	169	7.2
Yorkshire & The Humber	361	15.331
East Midlands & East	770	34.769
London & South East	897	45.503
South West	529	23.36
West Midlands	416	17.905
North West	371	20.212
Northern Ireland	22	2.045
Total	4279	205.998

The British Film Commission

44. 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. During 1999–2000, a grant of £0.85 million was provided to the British Film Commission. Total grant provided to the Commission at 31 March 2000 was £6.8 million.

45. Responsibility for the Commission was assumed by the Department for Culture, Media and Sport with effect from 1 May 1992. However, the British Film Commission became part of the new Film Council on 1 April 2000, although it will retain its own identity and operating style. The Department for Culture, Media and Sport has agreed to provide funding of £1 million to the British Film Commission, through the Film Council, for each of the next two years.

Shipbuilding Intervention Fund (SIF)

46. Aid to shipbuilding within the European Union is regulated by the EU Shipbuilding Regulation (previously Seventh Directive on Aid to Shipbuilding). Under the Regulation, operating aid, paid in the UK through the Shipbuilding Intervention Fund, expires on 31 December 2000. The Regulation is permissive and Member States may provide support up to the ceiling set by the Commission, which for the year 2000 has been set at 9 % of new building costs for ships with a contract value of Euros 10 million or more and 4.5 % for new builds costing less than that amount and for conversions. The United Kingdom is offering support up to those maximum permitted levels for new building contracts and up to a ceiling of 2.25% for conversions, except that grants will not be offered for ships costing less than £1 million.

47. During 1999-00, grants of £4.0 million were awarded to secure orders for nine ships totalling 11,578 tonnes. Total grants awarded from the inception of the SIF in February 1977 to 31 March 2000 amount to £559 million, covering orders for 440 ships totalling 3.66 million tonnes.

Exchange Risk Guarantee Scheme (ERGS)

48. 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 attractive foreign currency loans available from the European Investment Bank and the European Coal and Steel Community (ECSC). Such loans were at lower interest rates than sterling loans, by providing a guarantee against the exchange risk. Liability was in sterling. In return for an annual premium, the Government accepted the exchange risk on the outstanding loan.

49. Since 1985, ERGS cover has been available only on 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.

50. At 31 March 2000, ECSC loans totalling £1,113.5 million had attracted exchange risk cover. In 1999–2000, the scheme made a gross loss of £3.109 million. Its cumulative losses amounted to £278 million at 31 March 2000.

51. The scheme closed for new applications for loans on 28 March 1997. All loans will be repaid before December 31 2001, but ERGS liabilities ended in March 2000.

Assistance Under Section 11

Business Improvement Services

52. The Small Business Service National Services Directorate provides, mainly through a range of intermediaries, including Business Links and Trade Associations, a range of activities designed to help Small and Medium Enterprises (SMEs) define and improve their competitiveness by learning about adopting best practices in management and the use of technology. The best practise activities are designed to stimulate the smaller companies, by helping them to identify and address weaknesses and provide help with networking, benchmarking and visiting exemplar companies. The three centrally administered core activities are:

- a) **Connect** - a series of CD-ROMs on best practice awareness covering a wide range of business functions from people management to customer focus. www.connectbestpractice.com
- b) **The Benchmarking Index** - a service designed to introduce small and medium sized companies to benchmarking. www.benchmarkindex.com
- c) **Inside UK Enterprise** - a business-to-business company visiting programme. www.iuke.co.uk

The Small Business Service

53. The Small Business Service (SBS) was set up to:

- provide a strong voice for small business at the heart of Government;
- to improve the quality and coherence of support for small businesses; and
- to help small firms on regulation.

54. The SBS will offer help to a wide range of customers - from those wishing to become self-employed or start up their own business, to existing employers with up to 250 staff.

55. The SBS will act as a one-stop shop providing people with easy access to the range of services directed primarily towards small businesses. The SBS will also have responsibility for taking forward the Business Link network to ensure the best support for small firms.

56. The SBS will provide information or advice, or access to experts, on just about everything needed to run a business, including business planning, finance, management, exporting, quality, employment issues, training and development, innovation, design, regulation/design, Information and Communication Technology and E-commerce. It will also run national services to help small firms (eg Loan Guarantee Scheme, Smart grants for technology transfer, and on management best practice). All these services will be available via the "SBS Gateway", a comprehensive network of business support organisations, initiatives and information from the public, private and voluntary sectors. The Gateway will make extensive use of internet and call-centre technology. It will be accessible directly or via local or sectoral organisations (such as trade associations).

57. The Agency formally came into being on 3 April 2000. The SBS has announced the results of the bidding to deliver Business Link services through 45 local Small Business Service outlets from April 2001. The new network will help the SBS achieve its mission to build an enterprise society in which small firms of all kinds thrive and achieve their potential. Until then, local services will be provided by the existing Business Link network. To find out more, or keep up to date, visit the SBS Website on: www.businessadviceonline.org

Business Links

58. During the transition period in the run up to the Small Business Service becoming fully operational, Business Links continue to provide quality business advice and support to small firms. Over 150,000 businesses and individuals used these services from January to March 2000.

59. The new arrangements under the SBS will offer opportunities for those currently engaged in Business Link partnerships to build on their achievements and contribute to delivering even better quality of service to customers. Within each of the new areas we are looking to partners to work together on their proposals for the SBS franchise to be delivered through Business Links. The improvements and transition at a local level will lead to savings through economies of scale, so that more taxpayer's money will be used to provide services, with less expenditure going on overheads.

National Federation of Enterprise Agencies

60. The National Federation of Enterprise Agencies (NFEA) was set up in 1993 to provide an independent voice for Local Enterprise Agencies, and to initiate national frameworks and standards for its members in the provision of services to pre-start, start-up and growing micro-businesses.

61. A grant of £10,000 per annum for the years 1999 and 2000, was made by the DTI as pump-prime funding for the NFEA. This was used to embed the transfer of the NFEA administration procedures from DTI to NFEA to fund and establish the post of Chief Executive on a permanently funded basis.

Business Connect Wales

62. This network, launched in 1996, provides a single point of entry to the business support infrastructure for anyone seeking to establish a new business or for those established businesses needing information and advice on the services available. Business Connect was reorganised in April 1999 with the creation of a new management board which reports to the National Assembly for Wales. The board was set up to provide stronger strategic direction to the local Business Connect network and to help improve overall co-ordination, marketing and quality of business support in Wales. The Board is business led and includes representation from all the main business support agencies in Wales.

63. Through a network of 30 local offices across Wales, Business Connect offers a free and easy to access source of information and advice on a very wide range of business issues by a single all Wales telephone number. A new web site was launched in March 2000 providing 24 hour on-line business support. Business Connect encompasses a variety of local and national organisations, including The Welsh Development Agency, Local Authorities and Enterprise Agencies operating in partnership through four business development consortia. 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. In 1999–2000 the National Assembly made available £2 million to support Business Connect. This figure will increase to £2.5 million in 2000–2001.

64. Since 1996–97, the Welsh Office (now the National Assembly for Wales) has also supported the development of a range of new services under the Business Connect Initiative which targets companies with the potential to grow. Projects include the establishment of personal business advisor and mentoring services, supply chain developments, environmental and financial counselling and the establishment of team-managed businesses. Funding concluded for the majority of schemes at the end of 1998–99. The Departmental support for these projects in 1999–2000 was £0.48 million. In 2000–2001 Business Connect will fund directly the personal business advisors.

65. For 1999–2000, over £10 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, the sole traders initiative and Investors in People programme and a comprehensive Millennium Bug support service for SMEs.

The Expert Help Programme: Scotland

66. 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. On 1 October 1998, responsibility for delivering the Expert Help Programme was transferred to Scottish Enterprise and

Highlands and Islands Enterprise. Along with this transfer, the name of the Programme changed to Expert Help II.

Assistance Under Section 13

Improvement of Basic Services

67. During the year, 10 applications were received for grant towards improvement of basic services in the Assisted Areas. At 31 March 2000 grants totalling £1,048 million had been approved towards 10 schemes costing £3,813 million. Further details are at Appendix 6.

Assistance Under Part III Of The Industry Act 1972

The Home Shipbuilding Credit Guarantee Scheme

68. The Home Shipbuilding Credit Guarantee Scheme guarantees loans provided by commercial banks for the building, completion or alteration of ships, and mobile offshore installations. It allows banks to provide shipowners with loans at a fixed rate of 7.5 % over 8½ years or Commercial Interest Reference Rates for individual borrowing beyond 8½ years to 12 years. Loans may be made in US dollars and Euros as well as pounds sterling, or a combination of these currencies. Guarantees can be made in support of floating rate loans with interest charged at LIBOR. The Scheme is based on OECD understanding and is subject to review in the light of the 1994 OECD Shipbuilding Agreement.

69. In the year to 31 March 2000 payments of interest equalisation from the banks totalled £1.6 million net (previous year, £2.0 million to the banks). These were made by the Department under the authority of the Industry Act 1975 (Section 25).

70. The Statement of Guarantees for the year to 31 March 2000 is as follows (1999 figures in brackets).

Statement of Guarantees for the Year Ended 31 March 2000

	Number of Guarantees	Amount of Principal Guaranteed (£'000)
Guarantees current on 1 April 1999 (a)	87 (127)	270,273 (418,861)
Guarantees offered in year 1999-00 (a)	3 (6)	10,750 (14,336)
Repayments in year 1999-00 (b)	30 (46)	82,146 (162,924)
Guarantees current on 31 March 2000 (a)	60 (87)	198,877 (270,273)

(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.

Other Matters And Developments In 1999-00

Inward Investment

71. It is not possible to provide a comprehensive figure for the amount of foreign investment made in the UK during 99/00, since not all such investment is notified to the DTI, particularly when it takes place outside the Assisted Areas or involves expansions on existing sites. However, the Invest in Britain Bureau recorded 757 decisions to invest in the UK with over 134,194 associated jobs of which over 52,500 are new jobs. 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.

72. 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 2000 offers of £149.9 million were accepted under section 7 (RSA) to such companies for 130 projects estimated to cost £1002.6 million.

Commentaries By The Industrial Development Advisory Boards And Industrial Development Boards

Industrial Development Advisory Board

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

74. Seven meetings were held to examine and discuss ten major applications of over £2 million under Section 7 of the Act. The Board found that nine applications met the relevant criteria for assistance and recommended that they should be supported.

75. In addition, during the year the Board received updates on the Assisted Areas Map review, the Regional Development Agencies (RDA) economic strategies, the RSA budget and case progress updates.

76. In October 1999, Richard Caborn MP, Minister for Trade, hosted a dinner for the Board during which several issues concerning RSA were discussed. The Chairman of the Board also attended a meeting with Ministers and RDA Chairmen in December 1999.

77. The Board wishes to thank Sir Anthony Cleaver, who retired as Chairman of IDAB after six years service, along with Mr Roy Brown and Mr Gordon Horsfield for the valuable contributions they made to the Board's activities. The Board welcomed Sir Michael Lickiss, Lord Swraj Paul, Mr Bryan Sanderson CBE, Mr Robert Swannell, and The Hon. Barbara Thomas on their appointments to the Board.

SIR VICTOR BLANK
Chairman

Scottish Industrial Development Advisory Board

Economic Background

78. The Scottish economy experienced strong, balanced growth in 1999 as a whole and expanded at a rate above that in the UK. Output in Scotland's production industries (excluding oil and gas) rose by 2.7% in 1999 compared with the previous year. Within the production sector, all main industries saw output expand. Manufacturing output rose by 1.9%, electricity, gas and water by 6.7% and mining and quarrying by 5.5%. The rate of growth in Scotland was also above that in the UK in all main production industries. Within manufacturing, electrical and instrument engineering saw the fastest rise in output while mechanical engineering saw the largest fall. The service sector grew by 2.4% in 1999, a rate in line with the UK as a whole. The fastest growth was recorded in financial services, which saw output expand by 12.6% over the year, followed by retailing and wholesaling which grew by 8.8%. Output declined in hotels and catering and in real estate and business services.

79. Performance in the labour market in Scotland over the year to March 2000 was mixed with (seasonally adjusted) Labour Force Survey data showing both employment and unemployment rising compared with the previous year. The rate of ILO unemployment for January–March 2000 stood at 7.5%, 1.7% percentage points above the UK average. Data from the Civilian Workforce Jobs series showed that there was a further increase in the number of service sector jobs over the year to December 1999 while the number of manufacturing jobs continued to decline.

Regional Selective Assistance

80. There were 249 RSA offers accepted by companies in 1999-00, an increase over previous years. The value of offers accepted in 1999-00 was £140.8 million and this was associated with planned expenditure of £706.9 million and the creation and safeguarding of over 20,200 jobs. Indigenous companies accounted for 77% of all applications, a slightly lower level to that of the previous year of 83%.

Board Membership

81. During the year Professor Jim MacLeod retired and the Board wishes to express its gratitude for his valuable contribution over the years. The Board was delighted to welcome Mr Vikram Lall who was appointed on 1 January 2000 and the Board was also pleased to announce that Mr David Campbell had accepted reappointment for a further 3 years.

J J G GOOD CBE
Chairman

Welsh Industrial Development Advisory Board

Industrial And Economic Background

82. The Welsh economy performed better in 1999 than was forecast at the beginning of the year. Despite fears of a UK wide recession, the Welsh economy appears to have grown in terms of both output and employment.

83. The manufacturing sector experienced some difficulty in 1999. A decline in manufacturing output was accompanied by a reduction in the number of people employed in the manufacturing sector. However, the overall decline hides some wide disparities in Welsh manufacturing performance. The electronic and automotive components sector are expected to have grown in output terms during 1999. The textiles and clothing sector is one which appeared to suffer because of the high value of Sterling and foreign competition, this was illustrated by a number of factory closures during the year.

84. On the whole, the service sector in Wales performed reasonably well in 1999. The growth in service sector output and employment was aided by the development of several call centres in Wales by major telecommunications and banking & finance companies. Further call centre developments are anticipated in 2000. The completion of several large scale infrastructure developments in and around Cardiff has played a significant part in increased outputs for the construction industry in Wales, which would not be easy to replicate in 2000–01.

85. The fruits of past inward investment continue to provide significant employment in Wales but further success in attracting overseas-owned companies may take place against the background of increasing competition. The main obstacles to future inward investment are the current high value of Sterling and the availability of cheaper alternative locations in Eastern Europe.

86. In the 12 months to September 1999, employment in Wales increased by 2% to stand at 1,035,000. Over the twelve months to February 2000 claimant unemployment in Wales fell by 9,200 to 63,500, a rate of 5.2% of the workforce. This compares to the UK rate of 4.3%. The figure for Wales hides some wide disparities across the country, the highest travel-to-work area claimant count rate is 9.3%, the lowest just 1.9%. (Unemployment figures are not seasonally adjusted.)

87. In the short-term, Welsh output is forecast to grow by between 2.5% and 3.5%. The service sector and manufacturing sector are both expected to contribute to this growth. Over the next five years, the Welsh economy is forecast to grow by an average of 2.5% per year, broadly in line with the UK average. Over the same period, employment in Wales is expected to remain reasonably constant, and unemployment is set to stabilise at a low rate.

Welsh Development Agency - Property

88. Within the context of an integrated package of initiatives to create the right physical business infrastructure, the availability of quality sites and premises continues to be an important factor in support of the growth of home grown Welsh business and Wales' ability to attract new inward investment projects. The level of investment activity in both these sectors continues to take up a substantial amount of the available property and development land with the consequence of emerging shortages of supply in certain areas. The WDA, in conjunction with other organisations in both the public and private sectors, is addressing means to remedy such supply shortages through encouraging and supporting the private sector and a limited direct build programme. During 1999-2000 92,552 square metres of business premises were occupied by new or expanding companies. New industrial floor space totalling 130,349 square metres was created in 1999–2000, of which 102,262 square metres (78%) was for bespoke projects.

89. The Agency continues to encourage the private sector to invest in the Welsh property market through joint ventures with developers and financial institutions and by the planned disposal of holdings in its property portfolio to the private sector. The resources released by the sale of the Agency's portfolio of mature property was re-invested in the Welsh economy through the Agency's various programmes. Through reinforced regional structures, the WDA works in close partnership with other local players to ensure strategies for economic development, including property and business development, and address regional needs. During 1999–2000 joint venture projects undertaken with the private sector delivered 63,514 square metres of business accommodation.

90. The figures provided include floor space developed by the Development Board for Rural Wales which together with the Land Authority for Wales merged with the Welsh Development Agency on 1 October 1998. The merging of the 3 economic development organisations ensures a cohesive and strategic

development service for urban and rural Wales alike. Through reinforced regional structures, the WDA works in close partnership with other local players to ensure strategies for economic development, including property and business development, address regional needs.

Welsh Development Agency - International Division.

91. The Board noted that in 1999–2000, the International Division of the Welsh Development Agency recorded 95 projects forecasting 14,117 new and safeguarded jobs with associated capital investment of £668 million. The International Division was involved in securing 90 of these projects offering 13,927 new and safeguarded jobs and capital investment of £657 million. (These forecasts are based on companies' intentions at the time of the decision to invest and take no account of subsequent developments).

92. There were 34 entirely new projects, 54 expansions, 1 joint venture and 6 acquisitions. The Board noted that the fall in the number of projects recorded stemmed from a lower level of projects from elsewhere in the United Kingdom (59 in 1998–99 and 42 in 1999–2000). The Board also noted that overseas projects forecast over 1,000 fewer new jobs in 1999–2000 than in 1998–99. Geographical results showed 20 projects from North America (16 in the previous year), 19 from Europe (24 in the previous year) and 14 from Asia Pacific and other countries (11 in the previous year).

93. The Board noted that, while projects, new jobs and capital investment forecasts were all down, the inward investment market continued to be very competitive. Nevertheless, in this very competitive environment, significant projects were brought throughout Wales in the shape of Manpower/7C, One 2 One, BT, Britax Rumbold, Cable and Wireless, Nice-Pak, Duracell and A&J Enterprises. These significant and varied projects have helped to enhance the profile of Wales.

Regional Assistance

94. The National Assembly for Wales has put in place a programme of promotional events and presentations to businesses and advisers to raise awareness of the full range of Government business support schemes, particularly aimed at indigenous companies in the priority areas of West Wales and the Valleys. That programme will continue.

95. During 1999–2000, 172 Regional Selective Assistance (RSA) applications were received (compared with 140 in the previous financial year): 16 of these were made by overseas-owned companies (30 in 1998–99).

96. 149 offers of RSA with a value of over £64.2 million were made to projects in Wales (some of which relate to applications received in previous years). These are forecast to create 9,790 new jobs and safeguard a further 3,876, with planned investment by companies of more than £667 million. Included in the total figure is £46.6 million offered to UK-owned companies to encourage private investment of nearly £275 million, forecast to create 7,292 new jobs and safeguard 2,751 existing jobs. There is an element of overlap between projects receiving RSA and those recorded by Welsh Development Agency International Division. Significant projects announced during the year include Nippon Electric Glass (UK) Ltd in Cardiff, Britax Rumbold Ltd in Cwmbran, Lansing Linde (Blackwood) Ltd in Merthyr Tydfil, Welsh Country Foods, Anglesey; Cable and Wireless Communications PLC at Swansea; Exel Walsh Western at Newport in a project to support LG Electronics; Soten Sp at Merthyr Tydfil; and Sun Ya Shoes at Milford Haven.

97. In respect of Regional Innovation Grant applications for 1999–2000, 115 were received in-year and 105 offers of assistance (totalling £2.4m) were made - some of the offers relate to applications received in the previous year. Since its extension to the whole of Wales in 1997 there has been an annual increase of 59% in the number of offers of grant made compared to 1997–98.

98. The European Commission required all member states to revise their Assisted Area maps with effect from 1 January 2000. Pending an agreement on the revised map, arrangements were put in place whereby the Board continued to consider applications from companies with projects located within the proposed new Assisted Areas map, but any offers were conditional on confirmation from the Commission that the location is within the approved map and that the project complies with the appropriate aid ceilings for that area. These arrangements were similar to those put in place in England and Scotland.

Board Membership

99. During the year, the Board was much saddened by the sudden and tragic death of Mr Mike Reilly OBE following an accident; his efforts on behalf of the Board and his contribution to public life in Wales will be sorely missed.

100. Mr Paul Marshall OBE, Mrs Pat Phillips MBE and Mr David Edwards retired from the Board and we wish to record our thanks for their valuable contributions. Mr Jim Hancock and Dr Jim Driscoll joined the Board as new members.

K HODGE OBE

Chairman

North East Industrial Development Board

Industry In The Region

101. The region continued to suffer mixed fortunes, with numerous economic indicators showing the North East to be lagging behind the rest of the country. However, the latest CBI Regional Trends survey suggests some rising confidence by North East firms regarding exports, output and employment levels. There was no evidence of a significant drop in manufacturing output.

102. The textiles and clothing sector remained particularly depressed. The service sector continued to be the fastest growing sector, particularly Consumer and Financial Services. Call centre growth continued, with jobs in that sector in the North East now exceeding 17,000.

103. Nissan was again able to make a positive announcement, this time relating to the manufacture of the new Primera at Sunderland, coming shortly after the establishment of the new Almera production line. The leading telecommunications electronics company, Filtronics plc, acquired the former Fujitsu plant at the end of August. By the end of 1999, Filtronics had engaged over eighty people in establishing the basis for a new microprocessor manufacturing facility expected to create over 500 new jobs by 2003. One of four global business centres was announced by Procter and Gamble, which will safeguard 200 jobs and create 200 new jobs. Work is well advanced on the new centre at Cobalt Business Park, North Shields, with completion planned for the end of this year. It will provide internal administrative services for all of Procter and Gambles' European, African and Middle East activities.

104. Fabrication companies in the offshore sector were experiencing the most severe downturn in the last 30 years. Kvaerner was seeking a buyer for its Teesside facility and Odebrecht was likely to close by mid-summer. Heerema have won the only current project but at 2,100 tonnes the Jade contract was relatively small.

105. The AMEC yard on Tyneside is virtually in mothballs and Aker McNulty's local workforce dropped to a few hundred compared to a peak of 4000 last year. It is anticipated that a total of 11,300 direct jobs were lost in the fabrication sector in 1999/2000.

106. Subsea activity was still quite high and investment world-wide was very buoyant offering lucrative opportunities for companies who can operate in the global marketplace.

107. In the chemical industry the past year has witnessed a slow but steady improvement. Demand has grown and while margins continue to be low, the growth in the Pacific regions has seen a significant reduction in imports into Europe from that area. On Teesside the major development has been the acquisition by Huntsman of ICI's petrochemicals business and their subsequent announcement of their intention to spend £150m on improvements to the assets. ICI's disposal programme has been almost completed such that it probably now controls no more than 7% of chemical activity on Teesside compared to around 90% in 1980. With the arrival in the area of so many multinationals committed to the businesses that they have acquired together with an increasing presence of existing companies such as Du Pont, Teesside looks forward to a period of significant investment.

Inward Investment

108. Although the statistics suggest that the downturn in inward investment activity experienced last year has continued, the quality of the enquiries had improved and there had been a reasonable flow of investment into the region. The volume of enquiries during the year dropped to 290, a decrease of 6.7%, with the number of trade delegation visits to the region dropping by 16% to 150. This reduced level of activity was largely accounted for by One North East's more targeted marketing effort.

109. During the year Nissan announced a major new investment at its Washington premises. We also welcomed news of significant investments by Procter and Gamble (USA), Katmex (Japan), Phillips Components (Netherlands), Indiana Mills (USA), and our first Spanish investment, Esmar.

Competitiveness

110. The regional approach to Competitiveness has now focussed in the Regional Economic Strategy (RES) and the various proposals for its implementation. The RES has built on the work done to prepare the Regional Competitiveness Strategy. Implementation proposals include development of clusters, promotion of entrepreneurship, and a new emphasis on putting the Universities and Colleges at the heart of the economy. The Competitiveness Development Fund was managed by the Regional Development Agency, One NorthEast.

International Trade

111. The high level of sterling, particularly in relation to the Euro, was a major concern for the North East exporting community. This was followed by concerns over increased interest rates. Exporters have continued to take out costs to retain overseas markets but report profit margins as being squeezed to the limit in combating fierce cheaper competition from overseas suppliers. Some North East manufacturers have turned to sourcing opportunities abroad to achieve reductions in component costs.

112. Overall, International Trade activity recovered in the latter half of the year with growth, albeit fragile, in overseas sales and orders. After eighteen months of contraction, the manufacturing sector recorded rising export sales although growth levels slowed in the final quarter to March, with the service sector maintaining steady growth over the half year. Growth in export orders over the latter half of the year was less marked, with increased order books in manufacturing companies countering the fall back in orders in the service sector.

113. The increase in short and long term export confidence reported at the end of the year provides grounds for cautious optimism for future prospects. Exporters are quoting the EU and North America as the two most significant sources for increased orders, with hopes also of a recovery in trade with the South East Asia market following the late 1998 financial crisis.

114. The clothing and textiles sectors suffered badly this year, with many companies shedding large numbers of jobs or moving plants to countries with cheaper labour in order to compete with cheaper imports and priced goods from overseas, including clothing manufacturer Praxis, outdoor clothing specialist Berghaus, Cramlington Textiles and Dewhirst clothing.

115. Electronic firms were similarly hit by cheaper foreign imports of TVs, microwaves etc which, combined with the strength of sterling hitting exports, saw closure or contraction in some operations.

116. 324 sales of International Trade services were commissioned from the International Trade Teams in the region's five Business Links. This was 22% lower than the previous year and reflects the growing availability of information from the Internet.

Unemployment

117. In March 2000 the seasonally adjusted claimant count unemployment rate in the North East of England stood at 6.9%, compared to the Great Britain figure of 3.9%. The number of people unemployed in the region fell from 83,000 in March 1999 to 75,900 in March 2000. Despite this reduction the North East continues to have the highest overall unemployment rate of all the Government Office Regions.

118. Rates within the region varied widely between areas. At March 2000, of the 353 UK districts, South Tyneside, Hartlepool and Middlesbrough had the 2nd, 11th and 14th highest unadjusted claimant count unemployment rates districts, with rates of 12.3%, 10.3% and 9.6% respectively. At the other end of the scale Castle Morpeth was ranked 245th with an unemployment rate of 3.3%.

Regional Selective Assistance

119. During the year 209 offers of RSA were made, to the value of £39.4m, by the Government Office towards fixed costs of £467m. These projects are expected to create 5,408 new jobs and safeguard a further 2,918. There has been a small decrease in offers made (4%), but with a 35% increase in the value of offers compared to the previous year. The average cost per job was £4,729 - a small increase on last year's figure (£4,171). The regional cost per job figure for the year was below the England and UK national averages of £5,504 and £5,971 respectively.

120. In total, the North East Industrial Development Board examined 18 projects, approving 17 cases totalling £16.43m in offers and involving £96.3m cumulative capital expenditure and the creation and safeguarding of 2,923 jobs. This resulted in a cost per job of around £5,621.

Regional Enterprise Grants (REG)

121. The Regional Enterprise Grants scheme ceased for new applications on 13 September 1996. Investment and innovation grant payments in 1999/00 amounted to £34,714 and £22,273 respectively. Future commitments under the scheme to 2001/02 amount to approximately £94,000.

Enterprise Grant

122. The new Enterprise Grant (EG) scheme was introduced on 1 January 2000 to offer selective financial assistance towards commercial investment by small and medium enterprises (SMEs) in Assisted Areas. The scheme is administered by the Government Office who consult with the RDA on the prioritising of projects in line with the North East's regional economic strategies. For the 2000/01 year, a Regional budget of £3m is available. Enterprise Grant offers totalling £156,355 have been made to 7 SMEs in the period 1 January to 31 March 2000.

Board Membership

123. During the year three new members were welcomed to the board, Anne Reece of Bywell Holdings Ltd, Lorna Moran of Northern Recruitment Group and Simon Still of stockbrokers and financial advisers Wise Speke.

124. Sadly, during the course of the year David Goldman lost his fight against cancer and passed away. In addition we said farewell to three members of the board who stood down, those being: Chris Thompson (Express Engineering (Thompson) Ltd.), Michael Leonard (Retired partner, Touche Ross), and Keith Tipping (Komatsu UK Ltd).

125. We are extremely grateful for their assistance over the years.

JOHN WARD

Chairman

Yorkshire and The Humber and East Midlands Industrial Development Board

Yorkshire and the Humber

General

126. At the start of the year there were signs that the fall in manufacturing output was bottoming out and confidence was recovering. However domestic demand was generally flat, European markets weak and the tough trading conditions showed no signs of easing.

127. As the year progressed business confidence continued to improve although it did seem to level off in the last few weeks of the year. Recovery in manufacturing remained fragile; output rose slowly overall but with performance varying significantly depending on products and markets. The relative strength of sterling caused problems for many businesses both in overseas markets and at home where competition from imports was widespread.

128. The service sector continued to be much more buoyant overall, with financial and professional services particularly busy. General business services such as haulage and customer services were less active.

129. Conditions in farming and associated businesses worsened over the year. Many of the region's food processing companies struggled with severe pricing pressures. In the textiles sector synthetics held up but the problems of wool textiles and clothing deepened, with low cost imports a serious problem at every level and contraction and closure widespread. Much of the engineering sector was in decline for most of the year, with signs that many businesses were sacrificing prices to maintain volume. Steel producers struggled with weak prices and world-wide over-capacity, but towards the end of the year there were signs that demand was picking up. A number of electronics and telecommunications equipment manufacturers performed strongly throughout the year. Retail activity was generally flat outside key centres, with consumers cautious and price sensitive. The importance of Leeds as a commercial centre was underlined by very strong demand for retail sites in and around the city.

Investment

130. In both manufacturing and services most investment continued to be driven by the need to reduce costs and increase productivity. IT related investment was strong for most of the year and, although it eased immediately after the Millennium, by March 2000, there were signs that the pattern of continuous upgrading was being resumed. Throughout the year there were reports of companies moving production to low cost countries overseas, particularly in the clothing and textiles and chemicals sectors.

International Trade

131. Export performance and optimism was subdued for much of the year. The strength of sterling and the weakness of the Euro was the biggest single problem. Many businesses continued to work hard on reducing costs, improving quality and service to help offset some of the effects. Others also started concentrating seriously on niche markets. However sterling's speed of change made it very difficult to adjust. Towards the end of the year there were signs that some companies were successfully re-establishing themselves in markets in South East Asia and the Far East as these economies emerged from recession. Many companies performed successfully in the US, but European markets continued to be very difficult.

Unemployment

132. Labour Force Survey data over the year to February showed regional employment stable at 2.3 million and unemployment falling by 16,000 from 7.1% to 6.4%. The gap between Yorkshire and the Humber rate and the Great Britain rate narrowed slightly to 0.6%.

133. Seasonally adjusted claimant count unemployment fell by 15,700 from 5.3% to 4.7%. Unemployment fell in all Travel-to-Work Areas in the region apart from Bridlington, which was unchanged at 7.2% - the highest in the region. The largest falls were in Doncaster (down from 8.0% to 6.8%), Scunthorpe (down from 5.2% to 4.0%) and Goole (down from 5.4% to 4.5%). However wide disparities remained within the region. Unemployment rates throughout South Yorkshire and Bradford, Wakefield, Grimsby, Hull, Bridlington, Scarborough and Whitby were at or above the regional average, while much of North Yorkshire had rates under 2.0%.

134. Job losses continued in manufacturing throughout the year, with engineering particularly vulnerable; there was no evidence of improvement as the year ended. The service sector overall was not immune to the effects of rationalisation and restructuring, although the financial and business services sector continued to grow, particularly in West Yorkshire. Over the year the labour market tightened in Leeds and parts of North Yorkshire. However there was no significant change in the pattern of skill shortages, which tended to be localised and specific. Pay pressures were not a significant issue for most companies, with nil settlements and deferments common in the manufacturing sector. Pay and reward packages rose for some key skills in the service sector but costs were usually contained within the overall pay bill.

Government Assistance

135. The Board believes that Regional Selective Assistance (RSA) has played a significant role in securing additional capital investment in the region. During 1999-2000 a total of 173 (1998/99 - 176) RSA grant decisions were made, of which 40 (1998/99 - 38) requested grant of over £100,000. A total of 136 (1998/99 - 153) grant offers were accepted during the year. The volume was lower than in 1998-99 but the value of offers was similar.

136. The value of offers accepted amounted to £13.2 million (£13.9 million in 1998/99) with related project costs of £183.5 million (1998/99 £137.9 million). These projects were expected to lead to the creation or safeguarding of 5,746 jobs (1998/99 4,174 jobs). The distribution of assistance across the region shows that offers were accepted on 76 projects in South Yorkshire, 2 projects in North Yorkshire, 35 projects in the Humber area and 23 projects in West Yorkshire. This pattern emphasises the ongoing need for assistance in South Yorkshire in particular.

137. Monitoring of RSA aided projects showed that 240 payments were made with a payment value of £9.7 million during the year. This included 95 successfully completed projects, with a total payment value of £10.6 million, over the full period of the projects. The completed projects created or safeguarded 4,149 jobs, slightly higher than the forecast number of 4,127 and a welcome achievement.

138. The beginning of 2000 saw the launch of the Enterprise Grants Scheme across the region. This Scheme is targeted at small and medium-sized growth businesses and around two-thirds of the region is covered. Eighteen applications had been received by 31 March 2000 and the level of interest has been extremely high.

Inward Investment and Competitiveness

139. Inward investment continued to play an important part in developing the economic competitiveness of the region.

140. A total of 13 RSA grant offers (value of £4.87 million) were made to inward investors, involving investment of £79.8m, and the creation or safeguarding of 1,114 jobs.

141. The year saw a number of overseas owned companies investing in the region for the first time, including Toyoda Gosei, of Japan. Toyoda Gosei started to establish a facility in Rotherham to manufacture automotive components. The project will create over 400 jobs.

142. St Gobain, of France has built a new glass production facility at Eggborough, Selby and will create 125 new jobs.

143. During the year the region, as a whole, attracted 52 inward investments (including acquisitions and expansions) which are expected to lead to the creation of around 4,600 new jobs and the safeguarding of a further 5,910 existing jobs. A number of foreign-owned companies, already present in the region, announced expansion plans during the year, with the help of RSA. US owned The Springfield Group, is investing in additional print facilities at its site in Hull. The investment will create 20 jobs and safeguard 25 existing jobs. Krehalon UK Ltd, a Japanese owned company is investing in additional plant and machinery in Beverley (12 jobs). This "second generation" investment remains an important source of job creation in the region.

144. The year to 31 March 2000 represented a successful year for inward investment. The Government Office, and this Board, places a high priority on encouraging inward investment. We firmly believe that the strong partnership with Yorkshire Forward, Local Authorities and local Training and Enterprise Councils has helped improve the inward investment performance and competitiveness of the region.

East Midlands

General

145. After a difficult 1998/9, the East Midlands economy has improved over the year. Although somewhat patchy, with manufacturing and agriculture still experiencing difficulties, the overall position at the end of the year was brighter than that at the start.

146. Starting from a low base, business confidence picked up significantly from the Summer until the end of 1999 and, although having levelled off a little during the first quarter of the new year, remained at a higher level than in the corresponding period last year. Although confidence in the textiles sector has continued to fall, in general the regional economy has seen a few positive signs over the year. An Experian report showed profitability in the East Midlands to be rising faster than anywhere in the country, while a recent Manpower Employment Survey showed more firms in the East Midlands expecting to recruit staff in the first quarter of 2000 than in any other region. On a less positive note, the region experienced the greatest increase in business failures of any English region in 1999, however this trend has been reversed during the first quarter of 2000, when the region has seen the largest drop in business failures of any region outside London.

147. Manufacturing has continued to struggle, particularly as a result of the high value of sterling, interest rate rises and competition from abroad. Some sectors are faring better than others, with high value-added manufacturing generally performing much better than the more traditional, low value added sectors. Exporters have been finding life more difficult than those concentrating on domestic demand although, in all cases, margins remained tight. Over recent months, however, there has been the occasional sign that the situation may be improving, including a survey showing confidence among Northamptonshire manufacturers reaching a two-year high.

148. Textiles continued its decline over the year, with outsourcing abroad, particularly to the Far East, becoming increasingly common. Over 2500 textile jobs have been lost in the region during the year, with Nottinghamshire and Leicestershire particularly badly hit. The decision of Marks and Spencer to cancel contracts with British suppliers has further undermined confidence and resulted in substantial redundancies, with further losses predicted. The picture in the textiles industry is not entirely bleak however. Companies involved in more high-tech, specialist textile manufacture, particularly those producing goods for niche markets such as textiles for the medical profession, have fared better.

149. Footwear, particularly significant in Northamptonshire, has also continued to decline. Significant job losses have continued throughout the year, with foreign competition, high exchange rates and cheap outsourcing abroad once again the main factors.

150. Engineering has also struggled, although the position has become slightly more positive over the past six months. Despite concerns about high exchange rates and recent increases in interest rates, latest survey evidence suggests a small improvement in order books and optimism. Output though has lagged behind most other areas over the past three quarters, and long term prospects for the industry remain a serious concern - specifically the increasing trend towards shifting production offshore, which raises questions about the UK's ability to retain major engineering companies and the consequent implications for smaller suppliers to the sector.

151. The service sector has remained buoyant throughout the year. Demand for ICT consultancy has been strong, initially related to Millennium bug compliance but now increasingly focused on e-commerce activity. Accountants and legal services have been busy on the corporate side - particularly mergers and acquisitions - and meeting increasing demand for legal advice relating to changes in employment legislation. The growth in call centres has continued unabated. Several new developments including People's Choice in Leicester have been announced during the year, while others already established in the region, particularly Capital One and NTL in Nottingham and Securicor in Derby have been recruiting heavily. Retail picked up towards the end of 1999 and into 2000, although customers continued to exert strong downward price pressure. The distribution sector has also continued to expand, with more businesses moving onto the Daventry International Rail Freight Terminal and significant activity on business parks close to major road junctions and around the East Midlands Airport. Meanwhile, the airport itself has continued to break records with passenger numbers and employment at their highest ever levels.

152. Agriculture has experienced a depressing year, with the high value of sterling, the ban on British beef and difficult market conditions all causing problems. With farm incomes remaining low and negative margins being experienced in some cases, farmers increasingly diversified to make ends meet. Some smaller farmers have been forced to sell farmland for residential development.

153. Construction on the other hand, has experienced a boom year despite a lack of any significant infrastructure development. Several major developments have taken place across the region, including the building of the National Ice Arena in Nottingham. Substantial hotel and leisure development has also occurred again particularly in Nottingham, but also in the other city centres and around the East Midlands Airport site. The commercial and residential construction sector was buoyant. A recent Construction Industry Training Board forecast, showing an additional 24,000 skilled construction workers to be required in the region over the next 4 years, indicated a positive outlook.

Unemployment

154. Over the year, seasonally adjusted claimant count unemployment in the region decreased by 3,400 to its current level of 72,100 (February 2000) and remains below the national average at a rate of 3.6%. The positive regional position, however, hides stark local disparities - most clearly demonstrated by the fact that both Lincolnshire and Derbyshire contain areas of the highest and lowest unemployment in the region. Currently, Skegness/Mablethorpe and Chesterfield at 7% are areas of highest unemployment, while Stamford (1.7%), Spalding/Holbeach (1.9%) and Matlock (1.9%), possess the East Midlands' lowest unemployment rates. Throughout the year, skills shortages have been consistently reported in ICT, skilled engineering, skilled textiles, and LGV driving, while in areas of low unemployment, notably Northamptonshire, recruitment even for unskilled jobs has become increasingly difficult.

155. Despite many well publicised job losses in the manufacturing sector, overall more jobs have been created than lost in the region over the past year. Since 1 April 1999, 16,711 job losses have been recorded, while 17,539 new jobs have been announced, giving a positive balance of 828 jobs. The shift in employment structure towards an increasingly dominant service sector has continued throughout the year, with new jobs predominantly being created in services and the bulk of the losses occurring in traditional manufacturing industries and coal mining. In general, the employment trend has been positive, with employment in the region rising over the year and an employer survey in Nottingham forecasting 40,000 new jobs for the city alone.

Government Assistance

156. During the year a total of 122 Regional Selective Assistance (RSA) grant decisions were made and a total of 80 grant offers accepted. Total value of grant assistance accepted was £8.1 million against total project costs of £83.8 million. It is expected that 2,649 jobs will be created or safeguarded as a result.

157. The old Regional Enterprise Grant for Investment scheme closed for business on 31 December 1999. During the last nine months of 1999, 18 grant decisions were made in the East Midlands

158. The new Enterprise Grant scheme, launched on 1 January 2000, covers a large part of the East Midlands including the former coal field areas of north Derbyshire and north Nottinghamshire, parts of Lincolnshire and Leicestershire and the cities of Lincoln, Leicester and Nottingham. A total of 18 applications were received between January and March 2000.

Inward Investment

159. During the year the East Midlands Development Agency handled a total of 225 enquiries. Over half of these enquiries were received direct with North America remaining the key market in volume terms. The region attracted 25 inward investment projects (19 in 1998/99) creating nearly 600 jobs and safeguarding almost 2,000.

Membership of the Board

160. During the year Mr Ron Lasseter (the Chairman) retired from the Board. In addition Mr William McCosh and Mr Brian Ruffell-Ward also retired. We wish to record our appreciation to all three for their valuable contributions over the past six years. Mr Julian Cummins and Mr Surbjit Nagra joined the Board as new members in June 1999. In addition a further two new members, Jane Bradford and Corinne Holmes, joined in January 2000 when I was appointed Chairman. We welcome all the new members and are grateful for the contributions of the existing members.

JULIE KENNY

Chairman

South West Industrial Development Board

General

161. The positive economic trend has continued across the region during the course of the year. The latest available figures indicate that just over 2 million people were employed in the South West mainly in the service sector which now accounts for almost three quarters of all employment in the region. The South West has a wealth and diversity of foreign and indigenous companies across all the major sectors. Global manufacturing giants such as British Aerospace, Rolls Royce, Honda, and Smith Industries are joined by world leaders in the ICT sectors such as Motorola, Hewlett Packard, Intel, Lucent and Mitel. The region's share of national GDP has grown steadily with relatively high productivity in UK terms. The region's GDP is 8% compared with the UK National average of 6% in current prices while GDP per head in the South West stands at around 95% of the UK level. Business confidence has been generally positive despite concerns about the strength of sterling particularly against the Euro. The high pound has dampened exports with some suppliers finding it cheaper to import from abroad. However, this has been off-set by increased domestic demand which has helped bolster order books.

162. Although traditional industries such as agriculture, fishing and forestry have declined, tourism continues to provide an important source of income to the South West economy representing more than 10% of regional GDP. Major tourism projects such as Eden, the National Marine Aquarium and the Falmouth International Maritime Initiative are welcome attractions in Devon and Cornwall and provide permanent employment in areas affected by seasonality.

163. Urban areas have benefited from significant growth throughout the year, particularly in regional call centre activity where Plymouth now boasts companies such as Orange Personal Communications Ltd, Royal Sun Alliance, Market Reach Ltd, On-digital plc, with yet more similar projects in the pipeline.

164. Despite impressive growth the region still lags behind the UK averages on some key economic indicators. It has a higher than average share of low-value added industries and lower overall levels of business investment (capital, innovation, and research and development). The South West is also characterised by continuing intra-regional disparities between the more prosperous north and east of the region and the far south west. This picture is reflected in earning levels across the region, for example, almost 45% of wage earners in Cornwall earn less than £250 a week compared to 34% across the South West as a whole. These wide variations are further reinforced by problems associated with peripherality, transport and communications, seasonal employment and a relatively low industrial base.

165. The Board is encouraged by the work of the Cornwall Partnership in the development of the Objective 1 Programme for Cornwall which will unlock access to funds in excess of £300 million. The draft Single Programming Document (SPD) which was lodged with the European Commission in October 1999, includes priorities to support SME and micro-businesses as well as strategic investments.

166. In addition the Government's proposals for the Objective 2 Programme, have been positively received in the South West. The South West Objective 2 partnership had submitted an integrated bid which the RDA has strongly supported as a realistic package consistent with its emerging Regional Strategy. The new Objective 2 map was formally approved in March 2000 and will be worth approximately £108 million to the South West, benefiting a population of around 586,000 in areas of inner city Bristol, parts of Torbay and Plymouth and much of rural Devon.

167. Alongside the European Objective Programmes for the South West is the proposed Assisted Areas map. For Cornwall in particular the combination of Objective 1 status and complete coverage on the Assisted Areas map will undoubtedly provide the opportunity to impact significantly on the overall economic and social standing.

Inward Investment

168. The region has been successful in attracting inward investment, particularly to Bristol and Swindon and other urban centres in the east of the region.

169. Since the formation of the Regional Development Agency in April 1999 the region attracted 37 inward investment projects creating more than 4,200 jobs and safeguarding a further 996.

Employment and Unemployment

170. The claimant unemployment count in the South West fell significantly from 3.5% a year ago to 2.9% in March 2000. This compares favourably to the Great Britain average of 4.2%. However, wide variations continue to persist in some areas of the region with Northern and Eastern areas fairing better than Cornwall and parts of Devon. Here, unemployment rates remain high particularly in rural areas and those dependent on tourism. Most noticeable were Newquay (8.9%), Camelford (7.4%), Ilfracombe (6.1%) Redruth and Camborne (5.8%), Bude (5.2%) and Torquay (5%).

171. Looking at the regional counties as a whole Wiltshire has the lowest level of unemployment at 1.7% while Cornwall has the highest level at 5.1% which represents just over 11,000 people.

172. On a more optimistic note the seasonally adjusted claimant count fell in all TTWA areas the year to March 2000 while vacancies notified to jobcentres have risen over the same period.

Education and skills

173. The region has a highly skilled workforce; more than a third of employment is in the highest skill-level occupations. This is largely due to the high-growth, high-tech sectors in the north and east of the region. Educational attainment levels are among the best in the country. More than a fifth of the population is qualified to National Vocational Qualification Level 4, and only 15% possess no qualifications at all.

174. There remain real concerns over skill shortages in industry - specific areas, particularly technical skills, as well as in the areas of IT, customer care, communication, literacy, numeracy and team management. These skill shortages and recruitment problems are having an impact on workforce expansion, domestic and export orders, productivity, turnover and profitability.

Government Assistance

175. Throughout the year 38 offers of RSA to the value of £10.1 million were made towards fixed project costs of £73 million. It is expected that 3,397 jobs will be created and safe-guarded as a result. The distribution of assistance across the region shows that offers were made for 6 projects in Dorset, 14 in Cornwall and 18 in Devon.

176. The total number of applications received came to 58, slightly lower than the previous year.

177. The South West Industrial Development Board considered a total of eight applications from the region and approved grant totalling £6.04 million. Two of these were regional call centre projects involving Orange Personal Communications Services plc and Usit Britain Ltd. Other applications of note included St.Ivel Ltd (foodstuffs) in Paignton, Goonvean Ltd (quarrying) in Cornwall and Sentinel Polyolefins Ltd (manufacturing) in Plymouth.

Membership of the Board

178. During the year Mr David Hider, Mr Michael Kelsey and Mr Aubrey Loze retired from the Board. Mr Nigel Falls resigned earlier in the year owing to a career move to Ireland. We wish to record our thanks and appreciation for their valuable contributions and support while in office.

179. Two members, Mrs Anke Harris and Eric Newton were re-appointed to serve on the Board for a further two years. The Board were also delighted to welcome four new members: Mr Michael Leece, Mrs Denise Major, Mr Nigel Randall and Mr Gareth Unsworth.

IAN LOWE
Chairman

West Midlands Industrial Development Board

General

180. The West Midlands economy continues to be more dependent on manufacturing industry than does that of any other UK region. The sector accounts for around 30% of regional GDP and almost 25% of regional employment, compared with national averages of around 20% and 18% respectively, and although the service sector continues to grow in importance as a contributor to regional GDP and as a generator of employment, the proportion of the economy accounted for by services is lower in the West Midlands than in most other regions and remains significantly below the national average. It is also the case that many firms in the region's service sector rely heavily on manufacturers for business. The region's prosperity is therefore closely linked with the fortunes of manufacturing industry.

181. The year 1999-2000 began with manufacturing industry experiencing extremely difficult trading conditions. UK manufacturing output fell in each of the 3 quarters from the beginning of July 1998 to the end of March 1999 and the available evidence shows that industry in the West Midlands shared in this decline in output. However, the January to March 1999 quarter turned out to be the low point and manufacturing output grew from then on, reaching a level around 2% higher in the final quarter of 1999 (latest available quarterly figures) than in the first.

182. The results of business surveys conducted in the region during 1999 reflected this improvement showing, as they did, a hardening of business confidence and some signs of recovery in both domestic and overseas orders. The CBI's Regional Trends Survey for example showed a series of quarter on quarter improvements in overall business optimism, in order intake and in capital expenditure authorisations in the region. The West Midlands Regional Group of Chambers Quarterly Economic Surveys followed a similar path. However it is important to note that these surveys still paint a relatively gloomy picture, despite the improvement in the business climate which they reflect. The Quarter 4 Chamber Survey for example showed that the proportion of manufacturers whose export orders were increasing was slightly outweighed by those whose export orders were declining; and while around one in three respondents to the survey were achieving increases in their UK sales and orders, around one in four were still seeing theirs fall.

183. To a significant extent the roots of these difficult conditions lie in the relative weakness in the late 1990s of demand in the Euroland economies - our largest export market - and of the weakness of their currencies against sterling, which is now worth around 30% more against the DM than was the case in 1996. Many firms whose products are at all price sensitive and whose major markets are in Europe or whose principal competitors are based in Europe, have consequently faced the twin problems of coping with weak markets and intense competition. Not surprisingly in these circumstances, output has not been strong and jobs have been lost as firms strive to adjust their cost base to meet the demands of the marketplace. The return to growth now being experienced in some of Europe's larger economies should soon result in increased opportunities for many of the region's manufacturers. Those firms whose principal export markets lie outside the euro zone have tended to have a more successful year as the sterling: dollar exchange rate has been rather more stable and the US economy has continued its remarkable run of growth.

184. As has already been mentioned, many manufacturers shed labour during 1999-2000 and among these were a number of famous companies. These included IMI Refiners, Cadbury, Delta Electrical, Johnson Matthey, Dunlop Tyres, Michelin, Corus Group, Express Dairies, Alstom and Lucas Varity, who between them announced the loss of a combined total of more than 4,000 jobs in the region. Restructuring exercises involving job losses, and in some cases plant closures, were also conducted by many lower profile manufacturers and affected all parts of the region, the main conurbations and market towns alike. There

were nevertheless some successes in the manufacturing sector as Draexlmaier Automotive, Johnson Controls Automotive, VDO Mannesman, Valor, Preferred Technical Group and Mission Foods Europe, among others, all announced plans to create significant numbers of jobs.

185. While manufacturing was a net loser of jobs in the region during 1999 - down from 638,000 in November 1998 to 625,000 in November 1999 - other sectors generated sufficient new jobs for overall employment in the region to increase marginally to reach an all time high of 2.47 million during the year.

186. Just before the end of the report period, a new development arrived on the scene which cast some additional uncertainty over the future health of the region's economy. This was BMW's announcement of its intention to dispose of Rover and its Longbridge plant in south Birmingham where some 9,500 are employed. At the time of writing we do not know the eventual outcome of discussions the company is having with a potential buyer nor the precise impact this will have on the region's economy, but clearly there is a danger that significant numbers of jobs will be lost at Longbridge, in supply chain companies and in the dealer network.

Unemployment

187. There was a steady fall in claimant unemployment throughout the year both regionally and nationally. The region's seasonally adjusted claimant count in February 2000 was 111,500, which was 12,000 less than a year earlier, representing a 9.7% fall in the total. The national total meanwhile fell by 12.0%. The region's claimant count based unemployment rate fell from 4.8% in February 1999 (UK 4.6%) to 4.3% in February 2000 (UK 4.0%)

188. The pattern of change in the claimant count was not uniform across the region: the steepest falls were in the south and south east of the region, with both Warwickshire and Worcestershire seeing their claimant count cut by around 14%, Coventry by 19% and Solihull by 13%; in both Staffordshire (including Stoke on Trent) and Shropshire (including Telford & Wrekin) the reduction in the claimant count was more or less in line with the national average; at the heart of the region, Birmingham, Wolverhampton and Sandwell each achieved a reduction of little more than 5%; and in Herefordshire the count fell by barely 1.0%. In several local authority districts unemployment remained stubbornly near its February 1999 level despite relatively sharp falls in neighbouring districts, for example in East Staffordshire the total fell by only 1.1% and in Tamworth there was no change at all.

189. Unemployment rates remained highest in the metropolitan area and in Birmingham and the Black Country they continued to be significantly above the national average. In February 2000 the Wolverhampton & Walsall TTWA had the highest unemployment rate of any TTWA in the region, just as it had a year previously, although its rate fell from 6.4% to 5.9% during the year. Birmingham came next with 5.7%, followed by Dudley & Sandwell with 5.0%. Elsewhere in the region, only the Stoke TTWA with 4.2% had a rate above the national average, although Burton's 4% was in line with the national rate, while Coventry's 3.8% and Oswestry's 3.7% were close behind.

Inward Investment

190. There was a diverse range of investments in the region over the year, although the majority again focussed on engineering and automotive projects. Known investment by overseas owned businesses was £273.5 million, however, the actual spend is estimated to be have been many times higher. 4,919 new jobs were created and a further 12,802 safeguarded. Within the West Midlands there are now 1,927 foreign-owned businesses employing 223,755 people, which accounts for over 9% per cent of the total regional workforce.

191. Notification was received of 90 new projects, a significant increase on the 72 reported for the previous year. Of these, 43 were acquisitions, 38 were expansions of existing operations, 1 was a joint venture and the remaining 8 were first time investments. The region now has 637 North American, 363 German, 187 French and 106 Japanese businesses.

Regional Selective Assistance

192. For the fourth year there has been a decline in the number of full RSA applications received, with 129 during 1999/00 compared with 180 in 1998/99 and 202 in 1997/98. Of the 136 decisions that were taken during the year, 113 led to offers of grant, compared with 143 offers made in 1998/99.

193. Total grant offered was £23.8 million (excluding an offer made to Rover/BMW), and includes an offer of £6 million to TRW Lucas Varity Electrical Steering Limited. Total associated investment costs were £249.5 million and it is expected that 5,202 jobs will be created and safeguarded as a result.

194. The West Midlands Industrial Development Board considered a total of 20 applications from the region and approved grant totalling £15 million. The amount of grant approved for inward investment projects was £11 million compared to £5.8 million in 1998/99.

195. The RSA scheme for grants below £75,000 concluded at the end of 1999 and a new scheme, the Enterprise Grant Scheme, was introduced in the region in the New Year.

Regional Enterprise Grants for Investment

196. The REG scheme for investment remained open during the year to two designated localities in the region affected by coal colliery closures. During the year, 5 full applications were received and 5 offers of grant were made, totalling £41,029.

Membership

197. The end of 1999 saw the retirements, after long service, of Mr John Millett, Mr Graham Green and the Chairman, Mr Merrick Taylor. An extensive recruitment exercise was undertaken to fill these and other vacancies. This resulted in the appointment, from 1 January 2000, of Mr Chris Swan, Mr Howard Marshall, Mr David Grove, Mrs Maureen Barrett, Mr David Lovatt and Mr Mark Day. Mr Rodney Small was re-appointed for a further period and another existing member, Mr John Hudson, accepted an invitation to take up the position of Chairman.

198. A nomination from the Regional Development Agency, Advantage West Midlands, is expected shortly, which will complete the Board's membership of fifteen. It remains our objective to take the opportunity of future vacancies to recruit more business people who are women and from ethnic minorities.

J L HUDSON

Chairman

North West Industrial Development Board

The Economic Situation - The Board's Overview

199. The last year has seen increased competitive pressures on the region's businesses with the strength of sterling exacerbating these pressures and impacting on margins, even among high quality producers. The still strong dependence on manufacturing in the region allied to the significant export activity has meant many companies have felt the strain. Some have now moved production "offshore", either to the continent or further afield, such as the Far East. For the region's key SME sub-contract sector, especially within engineering.

200. However, there have been positive developments. For instance, the hi-tec side of the wider engineering sector has performed well with electronics improving as the year progressed. Aerospace has been one of the region's key performers, following strategic mergers, and is even more of a world player with the Eurofighter an important focus. On the wider defence front there has been some easing of concerns at the NW's Royal Ordnance factories with a 10 year contract agreement with the Ministry of Defence. With global over capacity in the automotive sector, this important sector for the region has been under some strain. However, noteworthy successes include the new "Baby Jaguar", with the production training programme well advanced and the project on target to commence production in early 2001, and Vauxhall achieving record throughputs in both Astra and V6 production as well as commitment to future Frontera manufacture. In addition, Jenson cars have announced their intention to commence production at Speke late in 2000 (with RSA grant assistance). Problems relating to the future of Rover affected some suppliers in the NW, although throughout the wider automotive field there are a number of very competitive operations, including Pirelli's Flagship factory in Carlisle. The chemical sector, particularly fine and speciality, has seen continued investment and productivity gains but jobs continue to be lost.

201. There have been notable concerns over the highly-publicised safety and environmental position in the Region's nuclear fuel industry where UK production is concentrated. West Cumbria is especially heavily dependent on not only direct but indirect employment. Despite tight margins, food and drink and the diversified paper and packaging industry have experienced positive achievements but continued import penetration has reduced much of the footwear sector to factoring operations. There has been a growing determination to respond positively to competitive challenges in the textile and textile product sectors which are becoming increasingly more hitech. Within the region a pro-active Textile Network or Forum which covers the wider industry has been set-up to represent and highlight the challenges and

opportunities of this sector. The construction industry has made solid progress with, for instance, important Commonwealth Games preparation work in East Manchester.

202. The retail sector has experienced mixed fortunes during the year. A high profile event was the opening of the M & S showpiece store in Manchester's heartland in November. There have been a number of other impressive retail and leisure developments throughout the region and, despite some fears of displacement, the Trafford Centre has attracted positive publicity with its range of products and sales figures. There have been developments in the home shopping on-line field with an increasing number of customers using the Internet. The financial sector has undertaken some rationalisation during the year. However a positive feature has been the launching by the Co-operative of Britain's first full service Internet Bank and, on the infrastructure side, the Prime Minister opened the impressive Metrolink extension to Salford Quays and Eccles. It was estimated that during 1999 business passengers would form about 40% of Manchester International Airport's 18 million passengers. The rapidly expanding Liverpool Airport now caters for 1.3 million passengers annually benefiting in particular from the expanding Easyjet operations.

203. On employment and skills, positive developments have been the continuing opportunities for skilled tradesmen such as carpenters, electricians and bricklayers (the NW Construction Industry Training Board have been strong advocates of the need for sustaining an active recruitment policy) as well as administrative personnel. There has also been a growing demand for the newer IT and engineering skills necessary as companies upskill and embrace new techniques to gain competitive edge. However, the region still has a higher than average proportion of its workforce in older-established industries where margins are tight, average remuneration is low and jobs increasingly vulnerable.

The Labour Market

204. At around 3m the region's workforce remained at similar levels over the last year. On a seasonally-adjusted basis claimant unemployment fell by 14,700 to 144,700. On an unadjusted basis claimant unemployment stood at 151,399 at March 2000, a rate of 4.9% compared with the UK at 4.1%. On an ILO seasonally-adjusted basis latest unemployment estimates in the NW stood at 6.4% compared with UK at 5.8%. However, there remain considerable variations within the region with rates on Merseyside and adjacent locations and West Cumbria particularly high, with low unemployment rates in Rural Cumbria and parts of Cheshire.

Regional Grants

205. Demand for RSA in the North West region fell against the previous year but offers remained at the same level. Figures are as follows:

	1999-2000	1998-1999
Applications	274	324
Offers	230	231
Grant	£39.5m	£30.9m
Capital spending	£468.3m	£581.6m
Jobs created	7,222	5,816
Jobs safeguarded	4,366	3,573
Offers made to companies with < 200 employees	187	185
Number of offers of £25k or less	57	81

206. The Board paid strong regard to the quality of projects and prospects for longer term sustainability and to the region's sector priorities, but also took full account of the strength of the regional case for projects of lower quality, where these were clearly important to the local or sub-regional economy.

207. RSA was again an important source of funds for the smaller firms with over 80% of the number of offers made being to businesses employing under 200 people and 24% of offers made for grants of £25,000 or less. The Board supported the changes to the RSA Scheme away from small projects, and the introduction of the Enterprise Grant Scheme in January 2000 providing an opportunity to further stimulate investment by growing SMEs (and on a wider geographical basis). Initial demand was very low but the Board was encouraged by the increased interest by year end and will be monitoring progress in the coming year.

European Funding

208. The Region's European Programmes (for Merseyside, Greater Manchester, Lancashire and Cheshire and West Cumbria & Furness) are also facilitating much needed investment in the region. Examples include the Imperial War Museum for the North in Trafford, the Estuary and Boulevard Business Parks

in Speke/Garston and the expansion of Liverpool Airport - now the country's fastest growing regional airport. The new Objective 2 Map for the North West has been formally adopted by the Commission and brings with it structural funds totalling nearly £500m over the period 2000 - 2006. Objective 3 carried a further £250m of European Structural Funds over the same period. Some 2.1 million people in the region will be covered by full Objective 2 status and 1.3 million by transitional funding. Merseyside's Objective 1 status will bring structural funds of £844m over the next seven years.

Inward Investment

209. During the year the North West Development Agency (NWDA) had a direct involvement in 27 inward investment projects attracting £147m in capital expenditure and creating/safeguarding over 6,934 jobs. Of these 27 successes RSA support through the Government Office played an important part in 7 projects, creating/safeguarding 2,910 jobs at a capital expenditure cost of £86.9 million. Many of the substantial investments during the year, for example MBNA at Chester, Heinz in Wigan and New Balance Shoes in Cumbria (all assisted with RSA) were for indigenous overseas companies expanding their North West operations. This is largely a reflection of the 'aftercare' efforts introduced by the NWDA in conjunction with regional partners, including the Government Office.

210. Following on from the previous year, the Jaguar X400 at Halewood is now having an impact on the supply chain, with Lear and Conix - the latter assisted by RSA grant - both locating their first tier operations on Merseyside. There were some disappointments, with the considerable regional effort into attracting two major investments (both offered RSA) being unsuccessful with both companies not proceeding due to changing business circumstances.

LSCs/SBS/British Trade International

211. The Board welcomed the Government's White Paper 'Learning to Succeed', with its proposals to establish local Learning and Skills Councils (LSCs), the proposals for a new Small Business Service (SBS), with franchises in the regions, and the creation of British Trade International. With 5 regional LSCs and 7 SBS franchises proposed for the North West, together with the development of a greatly strengthened export development effort, the Board sees these initiatives as providing a real opportunity to improve the region's performance.

North West Development Agency (NWDA)

212. The Board has been supportive of the Regional Strategy developed by the NWDA and the approach in the Strategy to improving business performance, in particular the sector priorities and cluster development proposals. The Board has been encouraged with the progress now being made and the strong private sector involvement in driving forward the business development agenda.

213. The Board has also valued the input from the NWDA to RSA cases it has considered and has noted the helpful contribution the Agency made to the Government Office in developing regional priorities for the Enterprise Grant Scheme.

Assisted Area Map

214. The North West coverage in the proposed Assisted Area Map, published in July 1999, was welcomed by the Board as reflecting the main priorities identified in the region and providing good and balanced coverage. However, the Board viewed with some concern the delay in agreement to the map by the European Commission and the uncertainties this was creating for business, potentially inhibiting investment proposals.

Board Membership

215. During the year two members retired from the Board, Mr Peter Hynd, Managing Director, Neptune Developments Ltd, and Mrs Christine Coates OBE, Director, Coates Engineering (Int) Ltd.

216. The NWDA nominated two new members, Mr Fred Ridley and Mr Clive Jeanes OBE, both currently serving on the Agency's Board. Additional new members are expected to join the Board in the coming months.

A RUIA
Chairman

East of England Industrial Development Board

General

217. The strength of Sterling, against the Euro and concerns about interest rates have been the dominant themes throughout the year affecting the economy. The burden of 'red tape' rules and regulations continued to be a recurring complaint from all sectors. Downward pressure through the supply chain continued to counteract the upward pressure of rising input costs. The imbalance between imports and exports grew and this was reflected in diverging costs for inward and outward transport.

218. Investments in IT systems, prior to Y2K, resulted in productivity gains for many companies replacing ageing equipment. Other investment plans remained modest, the service sector was slightly more confident in committing to plant/machinery/equipment investment but there remained a general lack of commitment to training across all sectors even though skills shortages were evident.

219. Skills shortages across the region continued throughout the year. Middle managers, professionals and IT specialists were increasingly difficult to recruit, especially for SMEs and there was also a shortage of semi/unskilled labour. Unemployment rates in many areas of the region dropped to their lowest for twenty years. A major feature of the economy in this region is the extreme contrast between the geographical areas where economic activity is very buoyant (eg Cambridge and parts of Essex and Hertfordshire) and the areas of lower economic activity (eg Wisbech, Great Yarmouth, and rural Cambridgeshire).

Sectoral Analysis

220. All sectors have seen a boom in e-commerce and e-trade. The importance of the Internet and hi-tech communications will increase and businesses are beginning to realise the potential of this medium.

221. Many new retail complexes and supermarkets opened throughout the year and there was considerable growth in the number of people employed in the retail sector. Activity in the housing market encouraged growth in the demand for furnishings and audio-electrical goods. Transaction rates were actually down over the year but spending per sale was up. As in all areas, trade over the telephone and via the Internet grew at a very fast pace.

222. Manufacturing output and demand remained rather flat throughout the year and has seen the loss of over 1,600 jobs notably in Essex and Bedford (particularly in car manufacturing). The depressed oil industry has seen almost 300 jobs lost around the coastline of the region, most notably at Great Yarmouth and Lowestoft.

223. During the year confidence amongst manufacturers grew slightly and output increased but a high percentage of firms continued to operate below capacity. The domestic market picked up, especially for SMEs and the service sector, although tough competition continued to exert pressure on prices and returns.

224. The service sector fared a lot better throughout the year and continued to expand offering employment opportunities. Call centres, health and leisure facilities and the food and drink sectors all forged ahead. E-commerce and Internet related activity expansion saw a boom for the service sector.

225. Agriculture continued to struggle due to various crises. Transport and logistics companies were also hit hard throughout the year as fuel costs continued to rise.

Inward Investment

226. The East of England Investment Agency reported handling 273 enquiries during the year from which 20 foreign owned companies either located or expanded in the region. 52% of the enquiries came from the USA, 28% from Europe and 10% from the Asia Pacific Basin. Information and Communications Technology and electronics lead the sector enquiries.

227. The Agency continued to work with many of the 1,400 foreign owned companies already located throughout the East of England.

Unemployment

228. Claimant count unemployment rates fell throughout the year from 3.2% in March 1999 to 2.9% in March 2000. This represented 73,096 people and was below the national trends. A number of districts continued to experience unemployment well above the regional average, notably Great Yarmouth (10.3%),

Waveney (6.6%) and Luton (4.6%). Fenland and Tendring were amongst several districts which had unemployment slightly above the regional average.

Regional Selective Assistance

229. Investment through RSA in the East of England continued to climb. During the year a total of 25 grant decisions were made and a total of 23 grant offers were accepted representing funding of £1,405,300. Some 70% of the offers made related to applications of grant worth between £25,000 and £100,000. In total the offers were expected to stimulate an additional investment of £15.3 million and lead to the creation of 433 jobs and the safeguarding of a further 59.

230. During the year covered by this report the Board met three times and considered two applications for grant assistance. The Board approved grant totalling £800,000.

Membership of the Board

231. Eric Anstee, Chairman of the Board, retired during the year. Eric was the first Chairman of the Board and served for a total of four and a half years. Bevan Braithwaite, David Evans, Diana Hodgins and David Priest also retired from the Board during the year. Fellow members join me in thanking them for their valuable contribution during their time in office.

232. I was appointed as the new Chairman in July 1999. We welcomed six new members who joined the Board during the last year, Linda Allen, Shaz Khan, Tina Knight, Hugh Lawson, Mike Smith and Angela White.

ELAINE ODDIE
Chairman

London and South East Industrial Development Board

South East Region

General

233. The economy is competitive and strong in relatively new industries. It maintains its relative cost differential by having a highly skilled workforce, advanced industries, location advantages such as London's amenities and services and the airports, and high levels of innovation and entrepreneurship. Banking, finance and insurance are strongly represented but the sector is now losing jobs due to mergers and new technology. Business services - including software production - is still the fastest growing sector of the economy and is most concentrated in the Thames Valley. The electrical and electronics industries are restructuring following cut backs in defence spending but still form a significant industry sector in the region.

234. GDP for the region as a whole is well above the UK average and in some areas, such as the Thames Valley is significantly higher. That for the eastern coastal counties is around three-quarters of the UK average.

Unemployment

235. The unemployment rate for Thanet, the South East's sole Development Area, fell from 9.1% to 9%. Similar improvements occurred in Kent's Intermediate Areas. Sittingbourne and Sheerness down from 5.5% to 4.6%; Dover and Deal down from 5.2% to 4.8%; Folkestone down from 5.7% to 4.9%. These figures follow the overall trend in Kent, of a reduction in unemployment. Unemployment on the Isle of Wight fell from 7.5% to 5.6% whilst Hastings in East Sussex saw unemployment fall from 7.8% to 5.1%.

Inward Investment and Regional Development

236. The attraction of inward investment into 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. Pfizer Ltd has its new £126.6 million research and development facility under construction at Ramsgate Road in Sandwich, which has already led to the creation of 664 full time jobs.

Government Assistance

237. During the year 52 offers of RSA grants totalling £8,536,285 were made to projects with a total capital expenditure of £256,125,626. These are expected to result in the creation and safeguarding of 1,638

jobs. Payments to companies as a result of project implementation and job creation totalled £7,631,250 in 1999/2000.

London Region

General

238. The London economy is generally buoyant. London Chamber's latest survey showed a high level of confidence among London's businesses. GDP growth this year is expected to be higher than the previous year's estimate of 2.8%, despite the recent rises in interest rates.

239. Construction activity remained very strong. Service sector growth continued at a pace driven mostly by financial services, but increasingly by e-commerce and the Internet.

240. Although manufacturing has seen an overall improvement, the sector continued to be under pressure. Some manufacturers cannot achieve the necessary productivity and according to the London Chamber 60% of London manufacturers found the high value of sterling their biggest problem.

Unemployment

241. The rate of unemployment in January 2000 was down to 4.5% compared to 5.1% in the same month last year. This compares with the UK unemployment rate of 4% in January 2000 and 4.5% in January 1999.

242. Labour and skill shortages continued to be a problem. According to the London Skills Forecasting Unit, about 120,000 jobs are vacant in London at any one time. There are significant shortages of Internet and systems software skills, general management and sales and marketing.

Inward Investment

243. London First Centre, in conjunction with the Government Office for London, has been active in seeking new investment projects for the region. During the year, London First Centre recorded 115 inward investment project completions. As a result, around 4,097 new jobs are expected to be created and a further 1,034 safeguarded.

244. Notable among the successes was the Qualifyer Group, an alliance centralising the European reservations systems for Swissair, Austrian Airlines, Sabena and eight other medium sized airlines. The new offices in Hammersmith are expected to create over 300 new jobs. Another was Comdirect, the international telephone banking arm of Commerzbank, locating in the Docklands and creating 120 new jobs.

Government Assistance

245. During the year 39 offers of RSA to the value of £2.7 million were made towards fixed costs of £17.1 million. These projects are expected to create 1,218 new jobs and safeguard 441.

The Board

246. The Board, which was formed in February 1995, has continued to advise on larger RSA cases and act as a forum for discussion of issues such as the factors affecting competitiveness in London and the South East.

247. Over the last year the Board has lost the services of Anne Gardner, Anthony Goddard and the Honourable Amber Paul. I am grateful to them for the valuable contribution they have made over the period of their memberships. In maintaining thirteen serving Board members I am happy to welcome new members Graeme Wyles, David Wilson and John McCready.

248. I am also leaving the Board at the end of March 2000 and would like to take this opportunity to thank everyone for their hard work during my time as Chairman.

Summary

249. The Board looks forward to continuing to make a constructive contribution to issues impacting on the local economy during the forthcoming year.

I HERMAN
Chairman

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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

Statistics relating to Section 7 of the Industrial Development Act 1982

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

It should be noted that the data in this Appendix includes some offers of RSA administered under Section 8 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 Area status. For details of these cases see Appendix 4.

TABLE 1 PROJECT GRANTS BY ASSISTED AREA
APPLICATIONS RECEIVED 1 APRIL 1999 TO 31 MARCH 2000
CUMULATIVE APPLICATIONS RECEIVED 1 APRIL 1990 TO 31 MARCH 2000

Country/Region	<i>Applications Received 1.4.99 to 31.3.00</i>						<i>Cumulative Applications Received 1.4.90 to 31.3.00</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	924	439,222	684	150,673	1,608	589,895	9,795	3,864,418	8,813	1,694,916	18,608	5,559,334
Scotland	318	265,502	43	17,214	361	282,716	2,433	1,480,114	280	160,632	2,713	1,640,746
Wales	58	62,951	114	57,961	172	120,912	949	544,125	1,182	460,303	2,131	1,004,428
England	548	110,769	527	75,498	1,075	186,267	6,413	1,840,179	7,351	1,073,981	13,764	2,914,160
East	—	—	24	2,059	24	2,059	—	—	245	21,846	245	21,846
East Midlands	27	3,223	94	10,520	121	13,743	240	50,101	605	64,891	845	114,992
London	—	—	43	4,056	43	4,056	—	—	350	43,537	350	43,537
North East	214	46,413	9	4,891	223	51,304	2,567	564,140	204	66,863	2,771	631,003
North West	161	31,331	113	12,183	274	43,514	1,859	570,201	1,931	236,004	3,790	806,205
South East	20	1,771	43	5,604	63	7,375	166	28,405	364	50,889	530	79,294
South West	7	2,300	32	9,100	39	11,400	289	53,510	496	91,164	785	144,674
West Midlands	63	16,909	66	14,743	129	31,652	700	439,158	1,863	333,830	2,563	772,988
Yorkshire and The Humber	56	8,822	103	12,342	159	21,164	592	134,664	1,293	164,957	1,885	299,621

TABLE 2 PROJECT GRANTS BY ASSISTED AREA
OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1999 TO 31 MARCH 2000
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1990 (1) TO 31 MARCH 2000

Country/ Region	Offers Accepted 1.4.99 to 31.3.00						Cumulative Offers Accepted 1.4.90 to 31.3.00					
	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment (2)		Payments 1.4.99 to 31.3.00 (£'000)	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment (2)		Payments 1.4.90 to 31.3.00 (3) (£'000)
				New	Safeguarded					New	Safeguarded	
Great Britain:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	16,310
Development Area	695	217,579	1,319,697	27,373	9,905	127,401	7,207	2,243,403	17,957,388	248,459	88,499	1,511,493
Intermediate Area	531	87,887	895,723	20,760	8,993	58,283	6,313	894,256	10,911,648	156,971	84,919	671,857
Total	1,226	305,466	2,215,420	48,133	18,898	185,684	13,520	3,137,659	28,869,036	405,430	173,418	2,199,659
Scotland:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	6,512
Development Area	220	133,763	614,939	14,304	4,255	48,742	1,934	1,078,236	8,815,176	108,742	31,322	614,876
Intermediate Area	29	7,045	92,006	836	887	3,256	215	77,803	686,376	8,703	7,795	60,152
Total	249	140,808	706,945	15,140	5,142	51,998	2,149	1,156,039	9,501,552	117,445	39,117	681,540
Wales:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	1,984
Development Area	43	14,348	47,941	1,589	916	18,214	744	393,667	1,846,392	32,849	13,500	309,286
Intermediate Area	96	39,149	254,483	6,390	2,584	26,749	973	342,839	4,642,697	50,360	21,919	239,538
Total	139	53,497	302,424	7,979	3,500	44,963	1,717	736,506	6,489,089	83,209	35,419	550,808
England:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	7,814
Development Area	432	69,468	656,817	11,480	4,734	60,445	4,529	771,500	7,295,820	106,868	43,677	587,331
Intermediate Area	406	41,693	549,234	13,534	5,522	28,278	5,125	473,614	5,582,575	97,908	55,205	372,167
Total	838	111,161	1,206,051	25,014	10,256	88,723	9,654	1,245,114	12,878,395	204,776	98,882	967,311

(1) Information prior to 1990-91 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 1999 TO 31 MARCH 2000
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1990 (1) TO 31 MARCH 2000**

Country/ Region	Offers Accepted 1.4.99 to 31.3.00						Cumulative Offers Accepted 1.4.90 to 31.3.00					
	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment (2)		Payments 1.4.99 to 31.3.00 (£'000)	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment (2)		Payments 1.4.90 to 31.3.00 (3) (£'000)
				New	Safeguarded					New	Safeguarded	
East:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Intermediate Area	20	1,351	14,912	403	59	546	180	9,958	71,065	2,288	1,465	6,586
East Midlands:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Development Area	20	1,285	12,832	298	22	659	158	17,420	146,517	3,812	564	13,620
Intermediate Area	60	6,801	70,951	853	1,476	3,076	427	32,948	379,111	7,160	5,732	19,341
London:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Intermediate Area	25	1,236	9,025	353	185	2,269	206	18,223	146,910	4,676	2,200	12,306
North East:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	7,814
Development Area	180	28,703	237,530	4,839	1,413	16,802	1,928	284,974	3,522,169	46,268	10,827	263,863
Intermediate Area	8	893	9,153	432	0	603	152	15,133	161,278	3,479	1,751	17,146
North West:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Development Area	121	20,194	225,082	2,950	2,577	20,478	1,205	219,319	1,754,714	26,279	19,203	155,851
Intermediate Area	101	10,124	201,866	3,292	1,547	4,983	1,390	118,993	1,690,052	23,518	17,310	85,696
South East:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Development Area	11	932	4,792	201	11	1,351	121	15,921	127,570	2,211	484	7,555
Intermediate Area	37	3,597	41,532	753	428	3,669	255	21,567	341,421	5,482	2,315	12,904
South West:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Development Area	5	379	1,315	104	0	1,261	199	29,953	111,945	3,579	1,005	23,009
Intermediate Area	21	6,038	51,101	2,522	641	2,897	348	54,539	471,934	11,946	3,682	37,986
West Midlands:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Development Area	45	11,313	89,377	1,513	376	15,787	485	125,097	801,770	10,518	9,654	62,028
Intermediate Area	47	5,137	52,961	1,944	327	4,642	1,266	124,667	1,410,711	23,196	11,856	117,997
Yorkshire and The Humber:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Development Area	50	6,662	85,889	1,575	335	4,107	433	78,816	831,135	14,201	1,940	61,406
Intermediate Area	87	6,516	97,733	2,982	859	5,592	901	77,586	910,093	16,163	8,894	62,205

(1) Information prior to 1990-91 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 1990 TO 31 MARCH 1998
PAYMENTS AND EMPLOYMENT CREATED OR SAFEGUARDED 1 APRIL 1990 TO 31 MARCH 1998

Country/Region	Offers Accepted 1.4.90 to 31.3.98			Offers Accepted 1.4.90 to 31.3.98 where some payment made up to 31.3.00			Total Payments to 31.3.00 (£'000)	Employment created and safeguarded to 31.3.00
	No.	Value (£'000)	Forecast (1) Employment	No.	Value (£'000)	Forecast (1) Employment		
Great Britain	11,081	2,583,322	463,666	9,604	2,294,792	405,746	343,484	1,708,114
Scotland	1,684	942,140	124,703	1,391	811,057	104,985	83,615	550,776
Wales	1,457	635,461	98,413	1,213	576,244	88,440	70,761	424,468
England	7,940	1,005,721	240,550	7,000	907,491	212,321	189,108	732,870
East	138	7,945	2,987	124	6,947	2,695	2,419	6,032
East Midlands	424	35,218	12,912	352	30,508	11,193	9,727	26,891
London	159	15,767	5,788	126	14,140	5,110	5,017	11,500
North East	1,679	245,109	49,925	1,471	220,129	42,632	39,110	193,624
North West	2,186	280,432	68,103	1,962	249,192	60,271	54,060	190,500
South East	288	28,135	8,175	254	25,220	7,537	6,812	18,701
South West	483	64,199	14,319	418	54,809	11,934	10,689	45,351
West Midlands	1,539	199,549	47,080	1,340	187,081	42,739	37,163	143,299
Yorkshire and The Humber	1,044	129,367	31,261	953	119,465	28,210	24,111	96,972

(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 1990 (1) TO 31 MARCH 2000

Standard Industrial Classification (SIC) 1992	Cumulative Offers Accepted 1.4.90 to 31.3.00						Payments 1.4.90 to 31.3.00 (3) (£'000)
	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast (2) Employment			
Class/Description				New	Safeguarded		
01-05 Agriculture, hunting, forestry and fishing	32	3,693	54,062	430	589	1,082	
10-14 Mining & Quarrying	34	5,714	53,055	557	240	3,136	
15-37 Manufacturing:							
15-16 Food, beverages & tobacco	915	211,353	1,483,694	31,209	15,485	158,840	
17-19 Textiles, clothing, leather & footwear	900	93,394	630,339	18,756	9,930	84,422	
20-22 Wood, paper, printing & publishing	1,228	161,067	1,787,266	18,939	11,377	133,123	
23-25 Coke, petroleum, nuclear fuels, chemicals, m.m.fibres, rubber & plastic	1,473	367,318	3,663,053	39,355	22,522	265,017	
26 Non-metallic mineral products	391	60,880	657,065	7,381	6,041	46,917	
27-28 Metals & fabricated metal products	2,565	234,832	1,952,427	36,720	17,923	193,886	
29 Machinery & equipment nes	1,234	231,739	1,712,605	27,271	17,693	157,822	
30-33 Electrical & optical equipment	1,382	921,815	10,503,718	96,484	29,760	588,925	
34-35 Transport equipment	578	437,806	3,444,161	34,620	30,082	320,100	
36-37 Other manufacturing	716	66,256	451,830	12,550	3,206	47,882	
40-41 Electricity, gas & water supply	11	1,558	8,320	229	130	1,361	
45 Construction	258	13,730	129,600	4,121	769	9,646	
50-52 Wholesale & retail trade, repairs	571	58,020	486,363	12,024	2,728	41,659	
55 Hotels & restaurants	37	4,061	25,482	1,138	334	2,484	
60-64 Transport, storage & communication	155	34,425	250,721	12,107	1,040	16,220	
65-67 Financial intermediation	63	97,725	718,908	23,259	1,164	42,212	
70-74 Real estate, renting & business activities	766	92,161	574,891	22,776	1,608	52,184	
75-99 Other Services	211	40,112	281,476	5,504	797	32,742	
Total	13,520	3,137,659	28,869,036	405,430	173,418	2,199,659	

(1) Information on closed schemes and on Project Grants prior to 1990-91 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 1996-97 TO 1999-00

Country	Financial year of application, acceptance or payment	Applications		Offers Accepted (1)					
		No.	Value (£'000)	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast (2) Employment		Payments (3) (£'000)
							New	Safeguarded	
Great Britain:	1996-97	1,981	727,276	1,538	419,598	3,791,523	47,706	24,736	217,140
	1997-98	1,762	559,656	1,342	451,683	6,373,556	53,886	21,931	267,349
	1998-99	1,600	603,655	1,213	248,871	2,252,496	34,972	13,179	265,470
	1999-00	1,608	589,895	1,226	305,466	2,215,420	48,133	18,898	185,684
Scotland:	1996-97	256	220,979	207	149,289	918,717	12,508	4,218	72,344
	1997-98	274	173,652	232	171,189	2,751,201	18,312	3,745	76,501
	1998-99	265	112,069	216	73,091	453,744	8,906	2,671	74,204
	1999-00	361	282,716	249	140,808	706,945	15,140	5,142	51,998
Wales:	1996-97	203	163,326	181	105,877	1,099,117	11,036	5,651	47,534
	1997-98	163	77,753	141	112,571	1,828,007	12,216	2,377	75,674
	1998-99	142	64,673	121	47,548	436,496	7,682	1,054	79,886
	1999-00	172	120,912	139	53,497	302,424	7,979	3,500	44,963
England:	1996-97	1,522	342,971	1,150	164,432	1,773,689	24,162	14,867	97,262
	1997-98	1,325	308,251	969	167,923	1,794,348	23,358	15,809	115,174
	1998-99	1,193	426,913	876	128,232	1,362,256	18,384	9,454	111,380
	1999-00	1,075	186,267	838	111,161	1,206,051	25,014	10,256	88,723

(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 1996-97 TO 1999-00

Region	Financial year of application, acceptance or payment	Applications		Offers Accepted (1)					
		No.	Value (£'000)	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast (2) Employment		Payments (3) (£'000)
							New	Safeguarded	
East:	1996-97	40	5,593	33	3,194	17,837	650	348	1,177
	1997-98	23	1,618	15	456	5,321	203	15	1,972
	1998-99	29	2,372	22	661	5,495	287	17	691
	1999-00	24	2,059	20	1,351	14,912	403	59	546
East Midlands:	1996-97	125	14,413	99	7,132	69,248	1,765	262	5,980
	1997-98	127	12,232	97	8,238	91,144	1,782	843	7,319
	1998-99	122	15,167	81	7,063	60,482	1,386	321	6,355
	1999-00	121	13,743	80	8,086	83,782	1,151	1,498	3,735
London:	1996-97	73	9,302	32	4,077	39,490	719	752	2,628
	1997-98	51	5,301	36	2,842	20,499	899	275	2,502
	1998-99	38	4,184	22	1,219	10,458	381	169	3,075
	1999-00	43	4,057	25	1,237	9,025	353	185	2,269
North East:	1996-97	288	35,344	239	41,352	686,149	7,678	2,406	22,700
	1997-98	276	35,021	204	18,004	152,901	4,859	1,000	35,948
	1998-99	254	88,952	213	25,402	276,116	4,491	1,225	19,662
	1999-00	223	51,304	188	29,597	246,683	5,271	1,413	17,405
North West:	1996-97	389	116,783	277	20,070	210,692	3,857	1,809	21,790
	1997-98	324	155,199	222	78,921	717,026	6,587	9,374	20,379
	1998-99	288	54,763	187	27,564	550,075	4,775	3,066	27,618
	1999-00	274	43,514	222	30,318	426,949	6,242	4,124	25,461
South East:	1996-97	91	12,875	85	11,613	137,169	1,903	1,566	3,512
	1997-98	71	4,451	50	5,481	156,151	1,694	75	4,246
	1998-99	65	9,601	40	4,825	35,643	845	79	3,240
	1999-00	63	7,375	48	4,528	46,324	954	439	5,020
South West:	1996-97	49	11,311	38	8,533	66,929	1,247	681	6,913
	1997-98	47	12,526	44	6,417	61,504	1,549	222	4,037
	1998-99	41	22,022	38	13,877	88,313	1,130	1,496	9,222
	1999-00	39	11,400	26	6,417	52,416	2,626	641	4,158
West Midlands:	1996-97	276	107,881	184	53,460	328,961	3,618	5,277	23,905
	1997-98	201	60,262	137	34,341	431,831	2,445	2,777	28,282
	1998-99	177	203,370	120	33,764	198,109	2,283	1,701	30,216
	1999-00	129	31,651	92	16,450	142,338	3,457	703	20,429
Yorkshire & The Humber:	1996-97	191	29,469	163	15,001	217,214	2,725	1,766	8,657
	1997-98	205	21,641	164	13,223	157,971	3,340	1,228	10,489
	1998-99	179	26,482	153	13,857	137,565	2,806	1,380	11,301
	1999-00	159	21,164	137	13,177	183,622	4,557	1,194	9,700

(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 1999 TO 31 MARCH 2000
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1990 TO 31 MARCH 2000

Country/ Region	Offers Accepted 1.4.99 to 31.3.00						Cumulative Offers Accepted 1.4.90 to 31.3.00					
	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment (1)		Payments 1.4.99 to 31.3.00 (£'000)	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment (1)		Payments 1.4.90 to 31.3.00(2) (£'000)
Great Britain:												
UK Owned	1,096	156,575	1,212,772	30,486	11,611	83,529	12,122	1,512,374	11,212,249	254,995	99,625	1,090,428
Foreign Owned	130	148,891	1,002,648	17,647	7,287	102,155	1,398	1,625,285	17,656,787	150,435	73,793	1,109,231
Total	1,226	305,466	2,215,420	48,133	18,898	185,684	13,520	3,137,659	28,869,036	405,430	173,418	2,199,659
Scotland:												
UK Owned	210	58,897	330,135	7,808	2,916	22,581	1,697	466,095	2,774,907	57,742	23,697	296,768
Foreign Owned	39	81,911	376,810	7,332	2,226	29,417	452	689,944	6,726,645	59,703	15,420	384,772
Total	249	140,808	706,945	15,140	5,142	51,998	2,149	1,156,039	9,501,552	117,445	39,117	681,540
Wales:												
UK Owned	119	28,642	151,667	4,520	2,348	17,372	1,387	324,497	1,943,081	45,697	16,343	243,094
Foreign Owned	20	24,855	150,757	3,459	1,152	27,591	330	412,009	4,546,008	37,512	19,076	307,714
Total	139	53,497	302,424	7,979	3,500	44,963	1,717	736,506	6,489,089	83,209	35,419	550,808
England:												
UK Owned	767	69,036	730,970	18,158	6,347	43,576	9,038	721,782	6,494,261	151,556	59,585	550,566
Foreign Owned	71	42,125	475,081	6,856	3,909	45,147	616	523,332	6,384,134	53,220	39,297	416,745
Total	838	111,161	1,206,051	25,014	10,256	88,723	9,654	1,245,114	12,878,395	204,776	98,882	967,311
East:												
UK Owned	18	1,211	14,355	349	59	473	175	9,650	67,379	2,158	1,465	6,513
Foreign Owned	2	140	557	54	0	73	5	308	3,687	130	0	73
East Midlands:												
UK Owned	71	4,331	44,361	866	335	3,504	555	39,725	416,281	9,570	4,574	27,136
Foreign Owned	9	3,755	39,421	285	1,163	233	30	10,642	109,347	1,402	1,722	5,824
London:												
UK Owned	24	1,152	8,267	347	130	1,437	197	13,939	107,226	4,128	1,224	8,987
Foreign Owned	1	85	758	6	55	832	9	4,283	39,684	548	976	3,318
North East:												
UK Owned	169	18,772	158,510	3,573	969	10,342	1,938	160,655	1,474,858	33,899	7,318	136,763
Foreign Owned	19	10,825	88,173	1,698	444	7,063	142	139,453	2,208,589	15,848	5,260	152,060
North West:												
UK Owned	206	19,593	242,394	4,533	2,360	11,188	2,459	198,688	1,749,088	39,280	21,409	149,661
Foreign Owned	16	10,725	184,555	1,709	1,764	14,271	136	139,624	1,695,678	10,517	15,104	91,886
South East:												
UK Owned	44	3,143	27,980	637	439	2,939	360	24,553	225,812	5,241	2,453	16,159
Foreign Owned	4	1,385	18,344	317	0	2,081	16	12,936	243,179	2,452	346	4,301
South West:												
UK Owned	24	5,452	42,574	2,402	612	2,628	493	49,111	302,375	10,053	2,868	37,149
Foreign Owned	2	965	9,842	224	29	1,529	54	35,382	281,504	5,472	1,819	23,845
West Midlands:												
UK Owned	86	6,520	74,153	1,768	504	4,442	1,617	114,530	995,616	22,420	9,654	79,860
Foreign Owned	6	9,930	68,185	1,689	199	15,988	134	135,234	1,216,865	11,294	11,856	100,165
Yorkshire and The Humber:												
UK Owned	125	8,862	118,376	3,683	939	6,622	1,244	110,931	1,155,626	24,807	8,620	88,338
Foreign Owned	12	4,315	65,246	874	255	3,077	90	45,470	585,601	5,557	2,214	35,273

(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 APPLICATIONS REJECTED AND WITHDRAWN 1 APRIL 1999 TO 31 MARCH 2000
 CUMULATIVE APPLICATIONS REJECTED AND WITHDRAWN 1 APRIL 1990 TO 31 MARCH 2000

<i>Country/Region</i>	<i>Applications Rejected and Withdrawn 1.4.99 to 31.3.00</i>			<i>Cumulative Applications Rejected and Withdrawn 1.4.90 to 31.3.00</i>		
	<i>DA</i>	<i>IA</i>	<i>Total</i>	<i>DA</i>	<i>IA</i>	<i>Total</i>
Great Britain	146	113	259	2,056	1,940	3,996
Scotland	47	4	51	327	42	369
Wales	8	8	16	181	153	334
England	91	101	192	1,548	1,745	3,293
East	—	—	—	—	51	51
East Midlands	3	26	29	62	139	201
London	—	7	7	—	85	85
North East	22	—	22	561	51	612
North West	40	19	59	529	409	938
South East	3	10	13	21	58	79
South West	—	2	2	93	135	228
West Midlands	12	13	25	159	476	635
Yorkshire and The Humber	11	24	35	123	341	464

DA = Development Area
 IA = Intermediate Area

APPENDIX 3

Unemployment Statistics

1999 CLAIMANT COUNT UNEMPLOYMENT BY AA STATUS
(Broad base, see note (a))

<i>GO Region</i>	<i>Number (000)</i>	<i>Per Cent</i>
North East		
DA	71.8	7.6
IA	4.3	5.4
NAA	4.5	5.0
Total	80.6	7.3
North West		
DA	59.3	7.3
IA	62.9	5.1
NAA	31.2	3.7
Total	153.4	5.7
Yorkshire & Humber		
DA	20.5	7.2
IA	48.0	6.0
NAA	52.8	4.0
Total	121.3	5.1
East Midlands		
DA	3.6	6.6
IA	13.7	5.7
NAA	55.7	3.7
Total	73.0	3.9
West Midlands		
DA	8.1	5.7
IA	78.5	5.0
NAA	30.6	3.1
Total	117.2	4.5
East		
IA	7.7	8.0
NAA	65.1	2.9
Total	72.8	3.0
South East		
DA	3.7	7.8
IA	13.4	5.1
NAA	264.1	3.5
Total	281.3	3.6
South West		
DA	6.2	7.3
IA	17.6	4.5
NAA	49.1	2.7
Total	72.9	3.1
Wales		
DA	10.0	7.5
IA	25.9	5.0
NAA	26.7	4.2
Total	62.6	5.2
Scotland		
DA	73.7	6.5
IA	23.3	6.6
NAA	35.1	3.6
Total	132.1	5.5
Great Britain		
DA	256.9	6.9
IA	295.2	5.4
NAA	615.0	3.4
Total	1167.1	4.2

Notes

- (a) Unemployment data is a 12 month average over the financial year, ending 31/3/2000. 1997 workforce estimates are used in calculating the (broad) base, to calculate the percentages.
- (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 accurately.
- (d) Unemployment is for TTWAs incorporating 1991 ward boundaries.

APPENDIX 4

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 2000

Country/Region	Applications		Offers Accepted		Associated Project Costs (£'000)	Forecast Employment		Payments 1.8.93 to 31.3.00 (£'000)
	No.	Value (£'000)	No.	Value (£'000)		New	Safeguarded	
Great Britain	301	77,617	141	22,177	182,321	3,222	1,766	15,784
Scotland	—	—	—	—	—	—	—	—
Wales	92	39,865	39	13,042	88,338	1,328	1,134	9,716
England	209	37,752	102	9,135	93,983	1,894	632	6,068
East	—	—	—	—	—	—	—	—
East Midlands	34	17,579	12	1,628	16,381	339	98	867
London	—	—	—	—	—	—	—	—
North East	8	1,343	4	89	715	20	0	65
North West	90	7,061	45	2,214	25,949	607	205	987
South East	—	—	—	—	—	—	—	—
South West	7	1,066	2	200	851	46	0	175
West Midlands	34	5,042	16	1,982	21,477	307	286	1,159
Yorkshire and The Humber	36	5,661	23	3,022	28,610	575	43	2,815

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

APPENDIX 5

Regional Enterprise Grants: Investment Grants

Applications Received, Offers Made, Offers Accepted, and Payments Made:
1 April 1999 to 31 March 2000

	<i>Applications:</i>		<i>Offers:</i>				
	<i>Number</i>	<i>Project costs (£000)</i>	<i>Number</i>	<i>Offer Value</i>	<i>Number Accepted</i>	<i>Value of Accepted Offer</i>	<i>Payments (£000)</i>
Great Britain	23	2,351	18	203	17	188	345
Scotland	—	—	—	—	—	—	45
Wales	—	—	—	—	—	—	18
England	23	2,351	18	203	17	188	282
East Midlands	18	2,178	13	162	12	147	170
Merseyside	—	—	—	—	—	—	15
North East	—	—	—	—	—	—	35
North West	—	—	—	—	—	—	—
South East	—	—	—	—	—	—	—
South West	—	—	—	—	—	—	2
West Midlands	5	173	5	41	5	41	60
Yorkshire & The Humber	—	—	—	—	—	—	—

APPENDIX 6

Financial Assistance under Section 13 of the Industrial Development Act 1982

IMPROVEMENT OF BASIC SERVICES IN THE ASSISTED AREAS

Department	Service	Applications				Applications Approved			
		Brought Forward from 1998-99	Received in 1999-00	Rejected	Withdrawn	Under Consideration	Number	Estimated Cost (a) (£'000)	Estimated Grant (a) (£'000)
Department of the Environment Transport and the Regions	Roads	2	4	nil	nil	2	4	1,414	420
	Water and Sewerage	10	3	nil	nil	7	3	987	205
Scottish Executive Development Department Environment Department	Roads	2	1	nil	nil	nil	1	1,104	331
	Water and Sewerage	nil	nil	nil	nil	1	5	308	92
National Assembly for Wales	Roads	nil	1	nil	nil	1	nil	nil	nil
	Water	3	nil	nil	1	2	nil	nil	nil
	Sewerage	nil	1	nil	nil	1	nil	nil	nil
Total		17	10	nil	1	14	13	3,813	1,048

(a) These figures represent the position at 31 March 2000 for those applications approved during the year. Figures for previous assistance under Section 13 are available in earlier Annual Reports.

APPENDIX 7

Chairmen and Members of the Industrial Development Advisory Boards and Regional 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 2000.

Industrial Development Advisory Board

Chairman

Sir Victor Blank

Chairman Designate, Great Universal Stores plc

Members

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Chairman, Motorola Ltd

Dr R Hawley

Advisor, HSBC Investment Bank Ltd

Miss R Hedley-Miller

Group Director, Dresdner Kleinwort Benson

Mr R Laphorne CBE

Chairman, Nycomed Amersham plc

Sir Michael Lickiss

Chairman, South West Regional Development Agency

Mr N Macdonald

Senior Partner, Ernst & Young

Lord Paul

Chairman, Caparo Group Ltd

Mr J Robinson

Chairman, George Wimpey plc

Mr B Sanderson CBE

Group Managing Director, BP Amoco plc

Mr R Swannell

Vice Chairman, J Henry Schroder & Co Ltd

The Hon Barbara Thomas

Chairman, Axon Group plc

Scottish Industrial Development Advisory Board

Chairman

Mr J J G Good CBE

Chairman & Chief Executive, Edrington Holdings Ltd

Members

Mr I P Bankier

Group Managing Director, Burn Stewart Distillers Ltd

Mr D R Campbell

Deputy Chairman, Enterprise Ayrshire

Mr D M Gray

Chairman, DTZ Piedad Consultancy Ltd

Mr V Lall

Corporate Finance Director, Bell Laurie Wise Speke

Mrs C McAteer

Consultant, Human Resources Strategic Change Unit

Mr J McColl

Chairman & Chief Executive, Clyde Blowers plc

Dr D McKay

Managing Director, FCI Systems & Assembly Division—Europe

Professor J Murray

Former Head of Mechanical Engineering, Heriot Watt University

Mrs M Seymour

Managing Director, Seymour Swimming Pool Engineers

Mr J Quigley

Regional Officer, Amalgamated Engineering & Electrical Union

Mr P Timms CBE

Chairman & Managing Director, Flexible Technology Ltd

Welsh Industrial Development Advisory Board

Chairman

Mr K Hodge OBE

Retired Corporate Director, Barclays Bank Plc

Members

Dr J Driscoll

Ex Consulting Partner

Mrs S Drury OBE

Chairman, Kemitron Plc

Mr J Hancock

Regional Trade Union Secretary

Mr G Long

Retired International Development Manager, Allevard

Mr J Maddock

Managing Director, Simbec Research Ltd

North East Industrial Development Board

Chairman

Mr J Ward OBE

Former Regional Director, Barclays Bank Plc

Members

Mr R Howard

Retired Regional Secretary, Trades Union Congress

Mr M Kellaway

Managing Director, Forbo-CP Ltd

Mr R H Maudsley

Former Managing Director, Rolls Royce Power Group

Ms L Moran

Chief Executive, Northern Recruitment Group

Mr H Morgan-Williams

Chairman & Financial Director, Canford Group Plc

Ms A Reece

Financial Director, Bywell Holdings Ltd

Mr M J Stephenson MBE

Managing Director, Helena Laboratories (UK) Ltd

Mr S Still

Director, Wise Speke

Miss S Wilson

Member, One North East

West Midlands Industrial Development Board

Chairman

Mr J L Hudson

Non-Executive Chairman, Birmingham International Airport Company

Members

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Mr J L Bloxham

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Mr G Clements

Group Managing Director, Ishida Europe Ltd

Mr M Day

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Mr J Evans

Managing Director, Lemforder UK Ltd

Mr D Grove
Chairman & CEO, Grove Industries Ltd
Miss J A Lodge
Partner in charge of Midlands audit practice, Deloitte & Touche
Mr G L Long
Head of Credit & Risk, Midland Bank Plc
Mr D Lovatt
Chairman, Acme Marls Ltd
Mr H Marshall
CEO, Ash & Lacy Plc
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Mr C Swan
Chairman & CEO, Finelist Group

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Mr A J Strachan
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South West Industrial Development Board

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Managing Director, Dek Printing Machines Ltd
Mrs N M Lamond
Director of Finance, Falmouth College of Arts
Mr M J Leece
Chief Executive, National Marine Aquarium
Mrs D Major
Area Manager, HSBC Bank Plc
Mr E J Newton
Managing Director, John Heathcote & Co Ltd

Mr N J Randall
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Managing Director, Wrafton Laboratories Ltd
Mrs B Speirs
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Managing Director, Icon Labels Ltd
Mr P Hubbard
Managing Director, Biwater Industries Ltd
Mrs G Mettyear
Managing Director, Merit Business Systems Ltd
Mr S Nagra
Managing Director, LUK (UK) Ltd
Mr A J Stradling
Consultant, Electronics Industry

East of England Industrial Development Board

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Members
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Managing Director, Holus Bureau Ltd
Mr D Burall
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Group Finance Director, Harvestime Ltd
Mr D Collins
Regional Officer, AE&EU
Mr D Connolly
Managing Director, First Call Logistics
Ms C Dickson
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Mr S Khan
Sales & Marketing Director, Kensal Ltd

Ms T Knight
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Mr M Smith
Retired Managing Director, Binney & Smith (Europe) Ltd
Mr J Tweddle
Senior Partner, Bidwell Chartered Surveyors
Mrs A White
Retired Director of External Relations, Royal Mail

London and South East Industrial Development Board

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Mr I Herman
Chairman, The Absolute Magazine Company

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Mrs P Edwards
Independent Consultant, Wells Associates
Mr A Holmes
Managing Director, Quester Ltd
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Banker, South East, Bank of England
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Independent Consultant, Aricon Design and Management
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