

Industrial Development Act 1982

Annual Report

by the Secretaries of State for Trade and Industry,
Scotland, Wales and Employment
for the year ended 31 March 1991

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

*Ordered by The House of Commons to be printed
12th July 1991*

LONDON : HMSO

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CORRECTION

Scottish Industrial Development Advisory Board

Page 8 *Regional Assistance, second paragraph, second line should read:*

accepted by applicants decreased from 228 to 198, but

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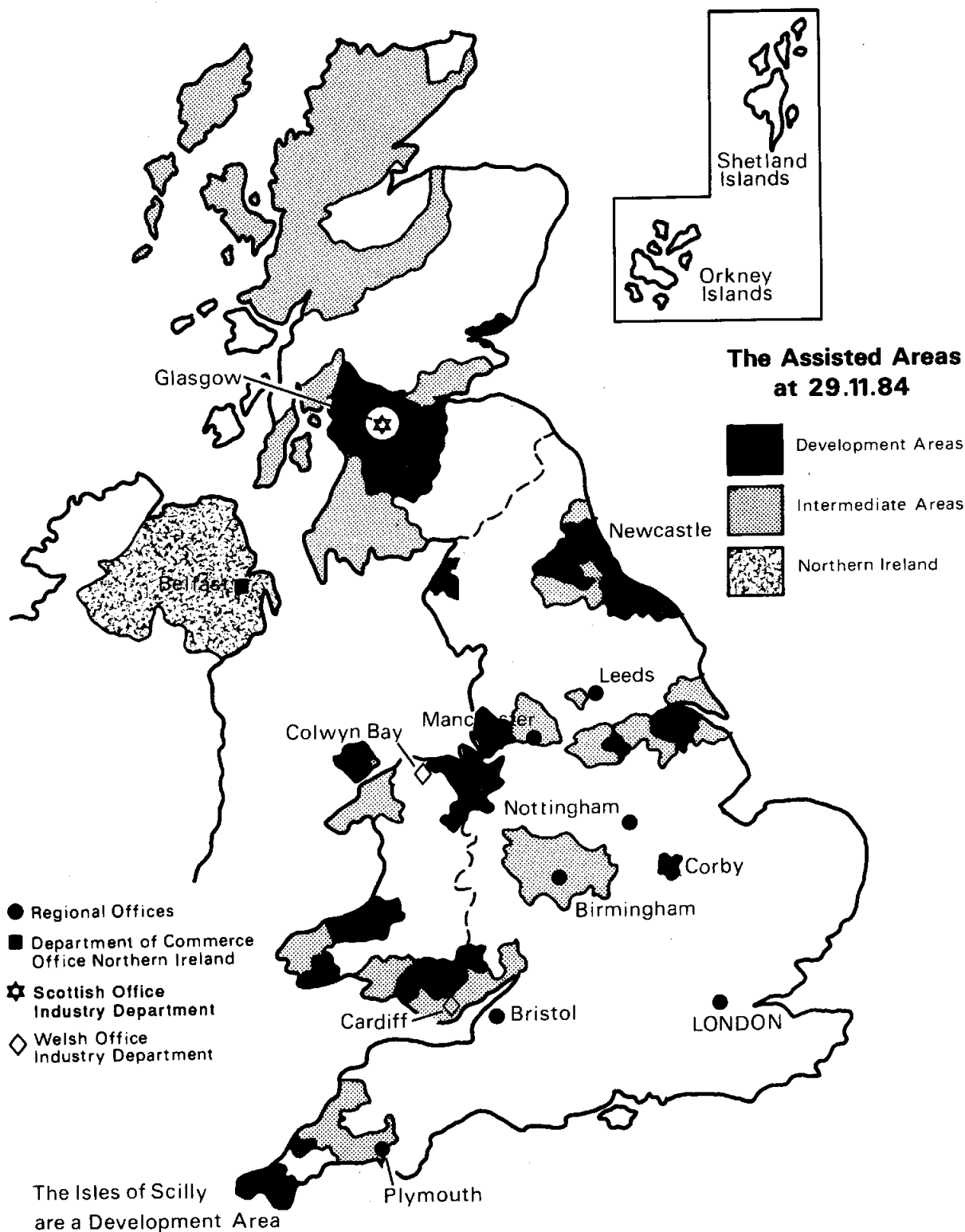
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Scotland, Wales and Employment

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LIST OF ABBREVIATIONS

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

Industrial Development Act 1982

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

Introduction

1. This Report, for the year ended 31 March 1991, describes the exercise of powers under the Industrial Development Act 1982 referred to in Section 11 and 15 of the Act, including the powers under past legislation which the Act consolidated. Sections 11 and 15 are reproduced at Appendix 1.

2. This Report opens with an account of regional support and goes on to describe measures of national investment support and special assistance to shipbuilding and small firms. It concludes with a section covering miscellaneous items, and commentaries by the various Industrial Development Advisory Boards. Appendix 2 gives a summary analysis of the main forms of regional and national support, showing offers and payments made to 31 March 1991.

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

Regional Support

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

Regional Development Grants

5. After 31 March 1988 the revised Regional Development Grant scheme was closed to new applications. However, expenditure on Regional Development Grants (under both the original and revised schemes) continued to provide a major element of support to industry in the Assisted Areas. Payments under the Regional Development Grant Schemes in 1990-91 totalled in England £65.5 million (£7.7 million on the original scheme and £57.8 million on the revised scheme); in Scotland £42.0 million (£9.0 million and £33 million respectively); and in Wales £22.1 million (£2 million and £20.1 million respectively). Further details are at Appendix 4.

Regional Enterprise Grants

6. Regional Enterprise Grants (REGs) are available under Section 8 of the Act. The Scheme was introduced on 1 April 1988 for businesses employing fewer than 25 people in the Development Areas of Great Britain. The scheme was extended to the Intermediate Areas of South Yorkshire on 1 September 1988 as part of the European Regional Development Fund's (ERDF) Community

programme for steel areas and to the Intermediate Areas of Fife and Plymouth on 3 December 1990 and 14 January 1991 respectively as part of the ERDF's community programme for shipbuilding areas.

7. The Scheme is intended to improve the performance of small businesses in qualifying areas through increased investment and through the introduction of successful new products and processes leading to the increase or safeguarding of employment.

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

Investment Grants

Eligible activities include most manufacturing and some service sector projects. Assistance is available at 15 per cent of expenditure on eligible fixed assets in the project up to a maximum grant of £15,000. Eligible costs include plant and machinery (new or second hand), buildings, purchase of land and site preparation and vehicles used solely on site.

Innovation Grants

A grant of 50 per cent of eligible costs up to a maximum grant of £25,000 may be given to projects which lead to the development and introduction of new products and processes. Projects aimed at product development need to show an improvement or advance in the company's product range. Process development projects should demonstrate a likely significant increase in efficiency. All costs up to the point of commercial production may be assisted including capital costs directly associated with the project. The innovation criteria require that the project must be innovative to the applicant and that a degree of novelty and technical risk must be involved.

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

10. Applicants have to prove that both the business and the investment or innovation project are viable. A business statement or plan is required, showing details of the project in the context of present and future business development. The REG scheme is administered by the Department of Trade and Industry, the Scottish Office Industry Department and the Welsh Office Industry Department.

11. During the year, businesses in Great Britain submitted 2,784 applications. Offers of grant valued at £17.6 million were accepted in respect of 1,935 cases. Fuller statistical details are contained in the tables at Appendix 5.

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

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

Summary of Selective Assistance Offers

13. During the year, offers of grant assistance under Section 7 that were accepted by industry totalled £341.1 million divided as follows:

	<i>£ million</i>	
England	Scotland	Wales
85.5	176.1	79.5

Further details are at Appendix 7.

European Regional Development Fund

14. The Government is able to claim a contribution from the European Regional Development Fund for certain expenditure on national regional assistance and the consultancy initiatives (see paragraph 50). During the year, receipts from the Fund attributable to regional industrial assistance totalled £8.3 million for Great Britain. A total of £1.0 million was received in addition for locally initiated business development measures in new programmes in Great Britain under Objective 2 of the European Community Structural Funds.

European Regional Development Fund Specific Measures

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

16. In England and Wales, Business Improvement Services provided support packages for small firms, while in Scotland there were Better Business Services and Better Technical Services. All of these had closed for new applications by 31 December 1988. Payments in 1990-91 made under

offers made up to 31 March 1989 were £2.1 million. There were no payments during the year in Scotland, and none are outstanding. Elsewhere there are a small number of payments to be made.

17. The Business Improvement Scheme also operated outside the context of the European Regional Development Fund. In July 1986 it was introduced in Penzance and St Ives using Section 7 powers. A further extension to Thanet was made in March 1988 using Section 8 powers. The schemes are broadly comparable in scope with Business Improvement Services elsewhere but the rates of grant are lower. £1 million and £500,000 was made available for Penzance and St Ives and Thanet respectively. For the year ended 31 March 1991, £107,217 was paid in Penzance and St Ives and £69,717 in Thanet.

Regional Loans from the European Community

Exchange Risk Guarantee Scheme

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

19. At 31 March 1991 loans totalling £1.071 million attracting Exchange Risk Cover had been made and cumulative losses of £103 million incurred. Future liabilities under these arrangements cannot be accurately quantified. Further details are at Appendix 9.

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

Improvement in Basic Services

20. During the year 111 applications were received for grant towards improvement of basic services in the Assisted Areas. At 31 March 1991 grants totalling nearly £4 million had been approved towards 64 schemes costing some £20 million. Further details are at Appendix 10.

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

21. The English Industrial Estates Corporation (EIEC), under the English Industrial Estates

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

22. During 1990-91 the total capital expenditure by EIEC on behalf of the DTI was £62.9 million. Of this, £46.1 million was funded by the EIEC itself (mostly from rents and sale of property) and by £16.8 million grant-in-aid provided by the Secretary of State. During the year EIEC sold land and factory units at a value of £22.2 million.

23. On behalf of the Rural Development Commission (RDC), EIEC expenditure exceeded £10.3 million (in respect of 100 per cent schemes). During the year the RDC portfolio generated some £3.6 million net rents and £2.71 million capital receipts.

24. In total EIEC completed 359 factory units and extensions comprising some 116,000 square metres of floorspace. At 31 March 1991 a further 70,000 square metres were under construction. EIEC's total stock at this time amounted to just over 2 million square metres. Further details are at Appendix 11.

Assistance under Section 1 of The Derelict Land Act 1982

25. During the year there were 436 applications for grant towards the acquisition, or clearance, of derelict land in England. At 31 March 1991, assistance totalling £24.3 million had been approved for 338 schemes involving 1,250 hectares. Further details are at Appendix 12.

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

26. National investment support continued to be given under Section 8 of the Act. Details of those measures which remained open for application at 31 March 1991 are set out in paragraphs 28 to 33 below. Information on measures that closed for application before 31 March 1990 and on which payments are still outstanding is set out in paragraphs 34 to 43.

27. Some of the investment assisted under the measures described in paragraphs 35 and 38 received assistance under the Science and Technology Act 1965 to the extent that the investment was associated with innovation. Expenditure under the Science and Technology Act is covered in a separate report.

Details of all Section 8 Measures are at Appendix 13.

Measures open for application at 31 March 1991

Assistance for Exceptional Projects

28. This measure of support, announced on 12 January 1988, provides assistance for capital projects and research and development projects in manufacturing and most service industries. To

qualify, projects must offer the prospect of exceptional national benefit, which might comprise, for instance, a substantial degree of innovation or wider benefits for United Kingdom users or suppliers. Assistance is given only to projects which are viable and would not otherwise go ahead as proposed; the assistance offered is negotiated at the minimum level necessary to achieve this. Innovation projects under this measure are funded under the Science and Technology Act 1965. At 31 March 1991 two offers of assistance under Section 8 of the Industrial Development Act 1982 totalling £5 million had been made. Payments of £1.4 million were made during the year. Further details are at Appendix 15.

Small Firms Loan Guarantee Scheme

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

30. For businesses based, or wishing to be based in, one of the 16 Inner City Task Force Areas the guarantee offered is increased to 85 per cent. A premium of 2 per cent is charged for these loans. Smaller loans of £15,000 or less are subject to simplified administrative procedures which enable the lender to approve applications without first referring them to the Department, thus speeding up lending decisions.

31. Since the start of the Scheme in June 1981, to 31 March 1991, a cumulative total of 28,089 guarantees have been issued covering loans to a value of £892.29 million. At Appendix 16 are two tables, one showing the number of guarantees issued since 1981, the other showing those issued since April 1989 when the scheme was re-launched and the maximum loan amount increased from £75,000 to £100,000.

Assistance for the Development of Certification Schemes

32. This measure of support is designed to encourage the development of third party certification systems in line with one of the major recommendations of the White Paper on Standards, Quality and International Competitiveness (CMND 8621). The measure was introduced in April 1983 with an allocation of £0.5 million a year. Grants up to 30 per cent (exceptionally 50 per cent) of initial deficits are available.

33. One new certification body has been established during the year with support from this measure, and some existing bodies received

assistance to extend the scope of their activities. At 31 March 1991, payments of grants totalling some £2.3 million had been made. Further details are at Appendix 20.

Measures closed for application before 31 March 1988 with payments outstanding

General Investment Support for Major Projects

34. General Investment Support for Major Projects closed for application on 12 January 1988. At 31 March 1991 assistance totalling £69.5 million had been offered towards 186 projects involving investment of £668.7 million. Payments of £0.3 million were made during the preceding 12 months to bring total payments to £53.2 million. Further details are at Appendix 14.

Microelectronics Industry Support Programme (MISP1)

35. This Scheme was designed to support the United Kingdom microelectronics industry, including the design and manufacture of silicon integrated circuits and the infrastructure companies which supply equipment, materials and services. Support was also provided for the development of other microelectronic and associated semiconductor devices. Assistance was provided under Section 8 and under the Science and Technology Act 1965. At 31 March 1991, assistance totalling £63.6 million had been offered, £59.1 million under Section 8 with payments totalling £53.3 million. Offers under the Science and Technology Act 1965 amounted to £4.5 million and of this £4.2 million had been paid. Further details are at Appendix 22.

Investment Support for Microelectronics (MISP2)

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

37. At 31 March 1991 assistance totalling £41.7 million had been offered for 110 projects costing £274 million. Further details are at Appendix 18 (this includes assistance for Gallium Arsenide projects).

Investment Support for Fibre Optics and Opto-Electronics

38. This measure of support, which was closed for applications on 12 January 1988, provided assistance towards the design and development of optical fibres, opto-electronics, optical sensors, instruments and production processes. Assistance was given both

under Section 8 and under the Science and Technology Act 1965. At 31 March 1991 assistance totalling £42 million had been offered; £6 million under Section 8 with payments totalling £4.4 million. Offers under the Science and Technology Act 1965 amounted to £36 million of which £27.9 million had been paid. Further details are at Appendix 19.

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

39. Support for AMT Planning and Implementation Consultancy Studies under Section 8 of the Act closed for applications on 31 March 1988. At 31 March 1991, assistance totalling £14.3 million had been offered towards 973 studies. Payments of £12.7 million had been made. Further details are at Appendix 17.

AMT Project Installation

40. Support for AMT Project Installation closed for applications on 30 June 1986. At 31 March 1991, assistance totalling £59.3 million had been offered for 341 projects totalling £267.1 million. Payments totalling £44.8 million have been made. Further details are at Appendix 17.

Coal Firing Scheme

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

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

43. The administration of the Coal Firing Scheme had been the responsibility of the Secretary of State for Energy since 1 April 1984. The Scheme closed to new applications on 30 June 1987. As at 31 March 1991 assistance totalling £50.3 million had been offered and accepted by the companies on projects costing £274.3 million. As all applications have been processed these figures will not be subject to future alterations. Payments totalled £47.2 million. Further details are at Appendix 21.

Individual Applications under Section 8

44. Cases that cannot be assisted under Assistance for Exceptional Projects and which do not qualify for assistance under other support measures can on an exceptional basis, be helped using the general powers of Section 8, subject to

Treasury and European Commission approvals. Assistance for a case reported last year continued in 1990-91.

45. This was to Carnon Holdings Ltd. The project aims to secure the continuation of tin mining and employment in Cornwall. In 1990-91 further loan payments totalling £400,000 were made from the £10 million interest free loan offered in 1988. Cumulative payments under this loan stood at £8.351 million at 31 March 1991.

Special Assistance to Shipbuilding and Associated Industries

Shipbuilding Intervention Fund

46. On 21 December 1990 the Council of European Communities adopted the Seventh Directive on State Aid to Shipbuilding. The Directive, which replaced the Sixth Directive containing similar provisions, came into effect on 1 January 1991 and will remain in force until 31 December 1993. It permits direct and indirect assistance based, *inter alia*, on the monitored gap between costs of the most efficient European shipbuilders and prices quoted by world market leaders. The aid ceiling is subject to annual review and for 1991 it has been set at 13 per cent of building costs for ships costing 10 million European currency units or more, and 9 per cent for ships costing less than that amount. The Directive is permissive, individual Member States are therefore free to determine what levels of support they will actually make available.

47. On 8 February 1991 the Parliamentary Under Secretary of State for Trade and Industry announced to Parliament the changes in Shipbuilding Intervention Fund levels for 1991. It had been decided that the building of "large ships" would be aided at 13 per cent whilst the building of "small ships" (defined within the United Kingdom as being those costing less than £13 million to build) would be calculated on a sliding scale reducing by 0.69 of one percentage point for each one million pound reduction in the cost of build. Offers to which the ceiling applies will be negotiated at the minimum necessary to secure orders for United Kingdom yards, always provided that the requirements of the Seventh Directive are met.

48. During the past financial year grants of £17.4 million were awarded to secure orders for 15 ships totalling 28,670 tonnes. Total grants awarded from the inception of the Shipbuilding Intervention Fund in February 1977 to 31 March 1991 amount to £460.4 million covering orders for 349 ships totalling 2.5 million tonnes.

Assistance under Part III of the Industry Act 1972

The Home Credit Scheme

49. The Scheme, under which discounts are granted to reflect the savings of future interest

support on loans that are repaid ahead of time, continued through 1990-91. During the year, two loans were repaid early under this Scheme attracting discount totalling £0.059 million. At 31 March 1991 the total amount of principal guaranteed was £925 million. Further details are at Appendix 23.

Assistance under Section 11 of the Industrial Development Act 1982

The Enterprise Initiative: Consultancy Assistance

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

51. The 1991 DTI Public Expenditure White Paper makes provision for 10,000 supported consultancies in 1991-92. To March 1991 76,900 applications have been received and 53,450 projects approved for consultancy. Further details are given in Tables 1 to 4 of Appendix 25.

The "Managing into the '90s" programme

52. The programme is directed principally at small and medium sized enterprises. It aims to stimulate awareness of best business practice, emphasising the need for an integrated approach to the management of key functions that affect company competitiveness. The programme focuses on the management of quality, design, manufacturing and purchasing.

53. The programme complements the Consultancy Initiatives and provides information through seminars and briefings, a "Strategy Roadshow", a demonstration company scheme and self help literature and videos. Other sources of advice are also signposted. £1.8 million was spent in delivering the programme in the year ended 31 March 1991.

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

54. The powers in this section of the Industrial Development Act 1982 are used primarily to support the provision of advice to small firms. In England the services described in paragraphs 55 to 66 are administered by the Department of Employment; similar services are, however, provided in Scotland and Wales under the powers in the relevant Development Agency Acts.

Small Firms Service Counselling Activities

55. In April 1990, the Small Firms counselling service (SFS) was progressively taken over by the emerging Training and Enterprise Councils (TECs). The SFS network of Centres still operated in those areas not covered by TECs.

56. Previous reports explain the background to the counselling facility.

57. The following statistical information is based on the reduced service and, therefore, a meaningful comparison cannot be given between the 1990-91 figures quoted here and those for 1989-90 which was the last *full* year of operation.

58. During the year, the number of clients coming forward for counselling was 22,889. The total number of counselling sessions for new and existing clients was 32,459. The SFS information service handled 203,968 enquiries from small businesses during the year.

59. SFS counsellors were employed on a yearly basis. At 1 April 1990 over 300 counsellors were under contract to the Employment Department. This figure gradually reduced during the following twelve month period as each TEC assumed counselling responsibilities in their area.

60. Counsellors were paid £50 per day for their services, plus travelling expenses. The counselling Advisers, who co-ordinated each regional team, were paid £81 per day. Counselling co-ordinators drew together the advising work in sub-regions and were paid £66 per day.

61. The budget for SFS counselling and information services for the year 1990-91 was similar to the 1989-90 spend of £8 million.

Assistance to Local Enterprise Agencies

62. The local Enterprise Agency Grant Scheme (LEAGS) was a pump priming scheme designed to encourage, over a five year period, development of a network of viable agencies. Funding was directed towards those Agencies which show potential long-term viability. £1.48 million was allocated to the scheme for the financial year 1990-91; details of payment made are at Appendix 24.

63. In recognition of the need to strengthen enterprise agencies in the inner cities, provision was made within a £615,000 fund in 1990-91 for grants to be paid for agency projects which involved advising Inner City residents on self-employment and running a small business. During its three year life the Local Enterprise Agency Project Scheme (LEAPS) gave over £1.55 million in grants and helped inner city LEAs raise over £2 million from the Private Sector. LEAPS funding ended on 31 March 1991. Details of payments made to advice related projects in 1990-91 are at Appendix 24.

64. Financial support was again given to Business in the Community (BitC) to assist with the costs of local enterprise agency personnel attending courses, run mainly by the Durham University Business School and Local Enterprise Agencies, and with the costs of publicity and promotional literature. £190,000 was allocated for these purposes during 1990-91.

Management Education and Training

65. The Department of Employment pays grants for projects aimed at providing advice and support to small business through the development of new or different forms of management training.

66. During the year a grant of £45,000 was paid to Durham University Business School. This was an extension of previous years' commitments to the New Enterprise Development Project which undertakes innovative work in the field of small firm training.

Other Matters and Developments in 1990-91

Inward Investment

67. 1990-91 was another very full year for the promotional activities of the Invest in Britain Bureau. In the year ending March 1991 they included 23 separate events (7 inward missions, and 16 seminars/presentations) organised by the IBB. The IBB also pursued an extensive programme of visits to potential inward investors in North America.

68. It is not possible to provide a comprehensive figure for the amount of foreign investment made in the United Kingdom in 1990-91, since not all such investment is notified to the Department, particularly when it takes place outside the Assisted Areas or involves expansion on an existing site. However during 1990 the Invest in Britain Bureau has recorded a total 340 decisions to invest or expand investment in the United Kingdom creating in the long term 27,000 jobs and safeguarding 34,000 others. These figures are based on information provided by the companies themselves at the time of the investment and take no account of subsequent developments.

69. 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 1991 offers of £101.1 million were made under Section 7 to such companies for 106 projects estimated to cost £776.0 million. These projects are expected by applicants to create 10,950 jobs and safeguard 3,386 others.

Publication of Assistance Offered

70. Details of offers of Regional Selective Assistance against which first payments were made during the year to 31 March 1991 were published in the Employment Gazette in the issues dated July, October 1990 and January, April 1991. In accordance

with arrangements outlined in last year's report publication was limited to offers of grant of £75,000 or more.

71. Details of payments of Regional Development Grants above certain thresholds were published in the Employment Gazette in the issues dated August, November 1990 and February, May 1991. For the original scheme the threshold was individual payments of £25,000 or more and for the revised scheme the threshold was payment to individual undertaking in a Travel-to-Work Area which cumulatively total £100,000 or more.

Industrial Development Advisory Boards and Industrial Development Boards

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

The statutory Scottish and Welsh Industrial Development Advisory Boards and the non-statutory Industrial Development Boards in those English regions with substantial Assisted Areas continued to advise their respective Secretaries of State on applications for selective financial assistance and on industrial opportunities in their countries and regions. Lists of the Chairmen and Board members are at Appendix 26. Commentaries by each of the boards follows.

Commentaries by the Industrial Development Advisory Boards and Industrial Development Boards

Industrial Development Advisory Board

The Board has continued to advise the Secretary of State on the provision of selective financial assistance under Sections 7 and 8 of the Act. Six meetings were held to discuss seven applications for assistance, all under Section 7, which provides for assistance to projects in Assisted Areas that create or safeguard employment. The Board found that all of the applications met the relevant criteria and recommended assistance.

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

Members of the Board undertook a visit to Merseyside in October. Visits to a number of companies and a tour of the Albert Dock were arranged. Whilst in the area, the Board also took the

opportunity to hold discussions with the North West Industrial Development Board. The Board found the visit very worthwhile.

There were no changes in the Board's membership during this year.

SIR RONALD HALSTEAD, CBE
Chairman

Scottish Industrial Development Advisory Board

Industrial/Economic Background

In common with every other United Kingdom region, Scotland is currently feeling the effects of the slowdown in United Kingdom economic growth, although to a lesser extent than in England. Scottish GDP growth is, according to independent regional forecasters, expected to be in the range 1-2 per cent in 1990. This will mark the lowest rate of economic growth for three years but is about average for the 1980s as a whole. At 9.0 per cent in the year to January 1991, retail price inflation in the United Kingdom is still high by 1980s standards, but is expected to fall sharply in the coming months. Both the personal and corporate sector in Scotland will benefit from this anticipated reduction in inflation.

The series of 1990 CBI and Scottish Chambers Business Surveys covering manufacturing industry have been generally pessimistic. Orders and output, especially for markets in England and Wales, have shown a level and more recently a negative trend. Scottish markets are reported to be less affected by the current economic conditions. A recent survey of Scotland's top 200 companies showed the overwhelming majority to favour the decision that sterling should enter the Exchange Rate Mechanism. Export markets appear to be fairly robust despite the weakness of the United States dollar in 1990 and the fact that unit labour costs are rising faster amongst United Kingdom (and probably Scottish) producers than amongst our European competitors.

Despite the economic downturn, manufacturing employment in Scotland has held up well in recent months having increased by an estimated 3,000 (0.7 per cent) in the year to September 1990. Service sector employment in Scotland increased by 13,000 (1.0 per cent) in the year to September 1990. Service sector activity as a whole is, according to survey evidence, holding up relatively well and will have made the largest contribution to GDP growth in Scotland in 1990, as well as helping the level of unemployment to fall in Scotland throughout most of the year.

Despite the overall growth in output and employment, there remains uncertainty over current trends in investment in the Scottish economy and their possible implications when the United Kingdom economy returns to a more significant level of economic growth. The Scottish construction industry is expected to achieve a modest rate of output growth in 1990, although prospects for this

sector in 1991 are uncertain. In manufacturing—where in 1988 net capital expenditure was over £1 billion for the first time ever—investment prospects have been subdued throughout 1990–91 in contrast to the late 1980s. It is likely that the relatively weak investment outlook will continue until demand in United Kingdom markets begins to pick up later in 1991.

Regional Assistance

Since the closure of the Regional Development Grant (RDG) scheme to new applications on 31 March 1988 Regional Selective Assistance (RSA) has become the main vehicle for regional assistance in Scotland. In the financial year to 31 March 1991, over 230 applications for RSA were received compared to over 310 in the previous financial year. The fall in applications reflects the economic downturn, particularly in the second half of 1990–91. However, there are indications that the decline in applications has bottomed out.

Over the same period, the number of RSA offers accepted by applicants increased from 194 to 198, and their value increased from £74 million to £176 million. The sharp rise in offer values resulted from a small number of exceptionally large offers whose combined value totalled over £90 million (see under inward investment below). Offers accepted during the financial year 1990–91 were associated with planned expenditure by companies of £1,115 million, with the planned creation of some 17,900 new jobs and the safeguarding of a further 4,590.

The RDG scheme closed to new applications in March 1988, but a late surge of applications at that time has led to a higher than expected commitment to RDG payments well into the 1990s.

The Regional Enterprise Grants (REG) scheme was introduced in April 1988, and provides support for innovation and investment projects being undertaken in Development Areas and, from December 1990, the Fife RENAVAL area, by companies with fewer than 25 employees. The scheme is designed to overcome the problems that small companies sometimes face in raising finance for such projects. During 1990–91 625 applications were received and 445 offers of assistance accepted. These offers involved grant of £2.8 million in respect of investment projects and £1.8 million in respect of innovation projects.

Inward Investment

RSA offers in 1990–91 to overseas-owned companies continued to account for a substantial proportion of total grants awarded in Scotland. A comparison with the previous year shows that the value of offers accepted by overseas companies increased from 45 per cent of total offers to 69 per cent of total offers while at the same time the actual number of offers accepted increased from 14 per cent of the total to 18 per cent of the total. Such offers accounted for 48 per cent (1989–90–40 per cent) of associated job creation.

For the most part the rise in value of offers is attributed to the successes of Locate in Scotland in attracting electronics companies Motorola and Conner Peripherals to Bathgate and Irvine respectively. These projects, which are two of the largest ever won by Locate in Scotland, involved planned capital expenditure in excess of £150 million and they are expected to lead to the creation of around 3,500 jobs. Another significant factor in terms of both value and number of projects was the level of Far East investment with companies from Japan, Taiwan and Korea also being attracted to Scotland in part through the availability of Regional Selective Assistance.

European Schemes

The Government continues to offer Exchange Risk Guarantee (ERG) on European Coal and Steel Community loans up to £500,000. In 1990–91, 146 offers of ERG were made on loans amounting to £35.9 million, compared with 110 offers on loans valued at £21.9 million in 1989–90.

Board Membership

In November 1990, Mr Keith Fox OBE of Dawson UK retired from the Board after seven years' service. His valuable contribution is gratefully acknowledged. He was replaced by Mr Peter de Vink of Edinburgh Financial and General Holdings. Two other members, Mr J M Little CBE and Mr D Paterson were reappointed for a further three years.

D J MACLEOD
Chairman

Welsh Industrial Development Advisory Board

Industrial/Economic Background

The Year began with the outlook for industry in Wales already uncertain and with diminished prospects for maintaining strong growth in industrial output and employment with the downturn in the United Kingdom economy.

However, the underlying greater strength of a restructured local economy was made evident both in the stronger than average growth in output and employment in Wales and in the resilience of industry in Wales to the national downturn in economic activity which was evident during the period of this report.

As a result, industrial output in Wales during 1990 was higher than in 1989, compared with a fall in output for the United Kingdom as a whole. This relatively better performance was achieved in the face of further losses of capacity in the traditional coal and steel industries, not least the closure of the steel plant at Brymbo which ended some 200 years of iron and steel making on the site. It was also achieved despite difficulties besetting important industries in Wales such as domestic consumer durables, the motor component manufacturers, and the supplier electronic industries.

Employment in coal mining is now fewer than 2,000. Around 18,000 are employed in the steel industry compared with 35,000 at the beginning of the 1980s and no fewer than 72,500 before the major restructuring of the industry in the 1970s.

Though the immediate outlook for output and jobs is now less favourable, there is an underlying strong confidence in Wales in the ability of its newer industries and of its industrialists, to overcome present difficulties and to return again to a strong relative growth within a growing United Kingdom economy.

But further progress is needed to strengthen the industrial economy of Wales. There have been significant recent losses of industrial capacity as a result of plant closures; in Wales unemployment rates have improved relative to those in the United Kingdom as a whole but remain above the national average; activity rates still remain relatively low in Wales, as do wage levels; and gross domestic product (GDP) per head is lower than in any other part of Great Britain.

Thus, measures to stimulate economic regeneration remain necessary to continue to encourage the growth of new enterprises, to encourage modernisation, inward investment, and improved export performance; to further improve the industrial and transport infrastructure, and to foster training in its broadest sense.

Welsh Development International

During the financial year to 31 March 1991 Wales achieved considerable success in securing a total of 147 inward investment projects. Of this total, 69 came from overseas involving the prospect of nearly 8,540 jobs and capital investment of £287 million. The remainder, 78 projects, 6,431 jobs and capital investment of £299 million involve projects secured from elsewhere in the United Kingdom. Although the forecasts of jobs are based on company plans and therefore subject to change the number of projects secured and the job forecasts are substantially higher than previous years.

We note WDI's continued commitment to strengthen and rationalise the organisation so that it is better able to meet the challenges of the 1990s particularly with the onset of the Single European Market in 1992. We further note the introduction of initiatives to build on existing strengths in particular sectors.

Welsh Development Agency

The availability of suitable factory accommodation continues to be an important factor in the ability of Wales to attract new projects. In the past year the WDA has let over 1.6 million square feet of floorspace. An additional 1.2 million square feet of new floorspace came on stream during the year taking the total property portfolio to over 21 million square feet.

With the launch (in 1989) of the Welsh Property Venture Initiative by the WDA, an initiative

between private developers and the Agency, it is hoped that by the mid-1990s a further five million square feet of new floorspace will be provided, capable of accommodating up to 15,000 jobs.

Regional Assistance

During 1990-91, applications for Regional Selective Assistance were received in respect of 264 projects and 201 offers of assistance with a value of £79.6 million were accepted by companies. These projects are expected to create nearly 9,800 new jobs and safeguard a further 2,572. These are most encouraging figures. The number of accepted offers increased by over 5 per cent as compared to the previous year, and the number of new jobs forecast rose by no less than 19.5 per cent.

These projects include a number which are of particular significance. British Airways is to make a considerable investment in an air-frame maintenance facility for wide-bodied aircraft at Cardiff-Wales Airport. This project is expected directly to create 1,200 new jobs. A further two joint venture projects between United Kingdom-Japanese companies were announced by Dowty-Koike and Gooding-Sanken. The former involves the establishment of a business machinery component factory at Croesfoel, Wrexham; the latter the establishment of a plant to manufacture transformers and switch mode power supplies in the Cynon Valley. Those projects are expected to create 670 new jobs.

Exchange risk cover was provided on loans of some £7.1 million from the European Coal and Steel Community. Residual payments in 1990-91 in respect of Regional Development Grant II outstanding commitments amounted to £20.1 million.

Administration of the Business Improvement Services (BIS) scheme moved into its final stages during the year, residual payments in 1990-91 amounted to £0.7 million.

Training and Enterprise Councils

The response of the business community to the development of Training and Enterprise Councils has been most encouraging. All seven TECs in Wales are now operational and this has been achieved well in advance of original expectations. Locally based TECs will improve the effectiveness of the training system in Wales and will ensure that our workforce has the skills it needs to meet the challenges that lie ahead. For the first time ever we have a training and enterprise structure led by top business people who have the power and resources to apply local solutions to local needs.

The Enterprise Initiative

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

The general slowing down in economic activity during the year was reflected in a fall in the number of applications for Regional Enterprise Grants from 415 in 1989-90 to 357 in 1990-91. However of those received the number from start-ups increased from 25 per cent to 36 per cent and those involving innovation projects rose from 20 per cent to 26 per cent. Some 225 offers of grant totalling £1.97 million were made during the year, against 325 offers valued at £2.8 million in 1989-90.

The Board was pleased to note the continued success of the consultancy initiatives in Wales following their introduction in 1988. No less than 1,443 companies sought to take advantage of these initiatives during 1990-91; an increase of almost 23 per cent on the previous year.

Board Membership

During the year, Mr Norman Penfold, MBE retired after serving six years. The Board would like to express its gratitude for the valuable contribution he made during this time.

SIR PETER PHILLIPS, OBE
Chairman

North East Industrial Development Board

Industry in the Region

During the year the North East economy saw a marked slowdown in recovery compared to the previous year. Whilst there were some bright spots the Region could not altogether buck the national trend, particularly in the later months when the situation was exacerbated by the Gulf War. The reductions in interest rates, although welcome, were insufficient to trigger a general recovery. The cost of borrowing continued to be the main constraint to growth but industry also had to contend with higher energy and raw material costs. Investment was generally subdued with the accent being mainly on maintaining trading at existing levels and avoiding retrenchment. As a result unemployment began to rise in July 1990 and continued to do so for the rest of the year.

The sectors most affected by the general economic situation were consumer goods, in particular clothing, furniture and white goods for the United Kingdom market. There were redundancies and cut-backs in a number of companies in those sectors in different parts of the Region. The construction industry also had a difficult year though it was cushioned a little by ongoing contracts for the Development Corporations in Teesside and Tyne and Wear.

The offshore construction industry performed reasonably well and some major contracts were placed with local companies. The performance of the heavy engineering sector was mixed and the defence-related industries were also affected by the review of Defence requirements "Options for Change". The

overall patchy performance extended to most industrial sectors with examples of individual companies failing and others performing relatively well.

The recessionary pressures did not feed through to the level of pay settlements which were still at or around the annual inflation rate in March 1991.

The Region continued to produce a substantial number of graduates in areas such as computer sciences. In some sectors skill shortages were reported, notably in professional, technical and certain areas of engineering which need to be addressed by suitable training programmes.

In sum, the Region's economy responded better than some to the general economic pressures but the persistent high unemployment rate demonstrated the continuing underlying structural problems. The steps taken to improve the structure and encourage investment are showing signs of success but there is still much to be done to regenerate the North East economy as the mature industries continue to decline.

Inward Investment

Overseas enquiries held up reasonably well but were below the level of the previous year. United States investment included TRW Valves at Sunderland and Magneco Metrel at Shildon both of which were attracted in part by offers of Regional Selective Assistance. Japan remained the most important source of investment from the Far East and some attractive projects were undertaken by new and existing companies in the Region. Efforts continued to attract projects from elsewhere and an important success was the Korean firm Inkel Ltd, which is to manufacture CD players and car stereos creating over 100 jobs. Again the availability of Regional Selective Assistance helped secure this and other projects. Nissan's presence in the Region continued to act as a catalyst for new investment from the Far East and it is hoped that Fujitsu's semi-conductor plant, the first phase of which was completed at Aycliffe during the year, will have a similar effect.

Unemployment

The North East Region continued to have the highest unemployment rates in Great Britain with some areas having particularly serious problems. In March 1991 the unemployment rate in South Tyneside was 18.6 per cent, in Hartlepool 16.6 per cent, in Middlesbrough 14.0 per cent and in Sunderland 13.6 per cent which demonstrates that much needs to be done to create and attract jobs to the Region.

Reflecting the recessionary pressures the Regional unemployment rate rose from 10.7 per cent in March 1990 to 12.2 per cent in March 1991. This compared with a national rate of 8.6 per cent and represents 125,328 people. Leaving aside changes in the method of counting, unemployment is approximately half the levels of five years ago.

Confirmed redundancies during the year numbered 8,994 an increase of 964 or 12 per cent over the previous year. However, redundancies began to show an upward trend in July 1990.

National Financial Assistance

(a) Regional Development Grants (RDG)

The RDG I and II Schemes are now closed but payment continued to be made on those projects approved before the closure dates.

Total payments of RDG II in England amounted to £58 million of which £28.6 million (49 per cent) was made to projects in the North East. Under RDG I total payments in England were £7.8 million of which £6.4 million (82 per cent) was in respect of capital investment in North East premises.

(b) Regional Selective Assistance

During the year 167 offers of RSA to the value of £21.7 million were made towards fixed project costs of £155 million. These projects are expected to create 3,488 new jobs and safeguard 827 others. The number of offers made was just over one-third lower than the previous year and the total amount of grant offered fell by around 40 per cent. It was clear that many companies were deferring their investment plans because of the general economic situation.

(c) Enterprise Initiatives Schemes

Demand for Consultancy Initiatives continued to increase. 1,354 applications received resulted in 1,312 business reviews of which 980 were referred to scheme contractors. The Quality consultancy represented 36 per cent of all applications with marketing second most popular. Of the 583 Regional Enterprise Grants applications 510 were for investment support and 73 for innovation. £2.6 million was offered for investment projects and £0.5 million for innovation.

(d) Inner Cities

Regional Selective Assistance continued to play an important part in the overall effort to regenerate the inner urban areas. A number of projects were supported in the City Action Team areas in Tyne and Wear and Cleveland. A notable success was in attracting British Airways to establish its new telephone sales operation in the Newcastle Business Park close to the City Centre providing several hundred jobs by 1994.

Board Membership

During the year Mr J C Barnsley retired from the Board. We wish to express our gratitude to him for his valuable contribution to the work of the Board. We warmly welcome a new member to the Board, Mr J C Fleetwood.

R F BISHOP, CBE
Chairman

Yorkshire and Humberside and East Midlands Industrial Development Board

Yorkshire and Humberside Region

General

During 1990-91, there was a continuing slowdown in economic activity in the region, deepening into recession, with a significant fall in business confidence in the latter part of the year. Customers continued to de-stock and production remained depressed. The long regime of high interest rates had a serious effect on businesses, particularly small ones, who were often highly geared. The liquidity of many small and medium sized businesses was becoming strained. Many firms successfully adopted survival strategies which often entailed reductions in employment but receiverships, insolvencies and closures of branch factories occurred on a significant scale. The situation has been aggravated by voluntary and involuntary delay in payment of debts.

The region's traditional industries all experienced difficult conditions over the year. In the wool textile sector, the general picture remained gloomy with several closures and instances of short time working. Exports were adversely affected by the relatively high value of the pound and important Middle East markets for wool and worsted fabrics were hit by the Gulf crisis. The clothing industry faced severe competition from low priced imports and was particularly affected by the fall in consumer spending. Uncertainty about the future of the Multi-Fibre Arrangement added to the concerns of firms in this sector.

In the steel industry, there was a significant fall in demand for engineering steels particularly from the automotive industry. Orders for construction steel remained at a reasonable level in the early part of the year but then fell steeply in line with the downturn in the construction industry. In contrast, stainless steel fared better. Some firms in the industry retained reasonable levels of activity where production and quality standards were up to the best but, in general, production remains depressed. The engineering sector also experienced a severe reduction in demand for its products with major job losses announced although companies supplying the oil, defence and aerospace industries were less affected. Skill shortages, still being reported in some key areas, suggest that there could be major problems in recruiting qualified people when the upturn comes.

In other industries, major investments were deferred in chemicals. Food manufacturing, in contrast, continued to do well. The agricultural industry and those firms supplying it, a key sector in Yorkshire and Humberside, went through a very difficult period. Farmers encountered major difficulties in making loan repayments and were heavily dependent on support from their bankers. Rationalisation of the region's coal industry continued with pit closures and major job losses announced in both South and West Yorkshire. The possibility of increased imports of cheap coal remained a major threat to the

industry. Construction, and many of the sub contractors associated with it, also faced severe problems. The housing market remained flat and commercial developments were not attracting the tenants that had been expected even on prime sites. Financial services, a growing sector in the region, remained reasonably stable but some firms had started cutting back staff by the end of the period which was in line with national trends.

With demand in the home market falling sharply in the second half of the year, interest in exporting increased considerably. Entry into the ERM was welcomed but many firms felt that it should have been earlier and at a lower rate.

In 1990-91 the Yorkshire and Humberside economy has experienced a progressive slowdown which turned into a recession. As we finished the year and led into the new one, the economic outlook was still uncertain and businesses continued to adjust to a low level of new orders. The region enjoys the benefit of a strong and diverse economy. Its geographical location is also a great advantage to business in its preparations for the Single European Market and the opening up of Eastern Europe. In spite of the slowdown, trade through the Humber Ports reached record levels during the year demonstrating the potential which exists for the region.

Unemployment

The Yorkshire and Humberside unemployment rate remained above the Great Britain average throughout the year. The seasonally adjusted rate in the region was 6.7 per cent for the first three months, before starting to rise in the summer, reaching 7.6 per cent in February 1991. Towards the end of the year, there was a marked increase in the number of job losses. There was also an increasing number of reports of short-time working and the use of natural wastage to help reduce company payrolls.

The Yorkshire and Humberside unemployment rate conceals wide disparities in the region. Some rural areas in North Yorkshire have shown very low unemployment rates. Other areas, particularly those in South Yorkshire, have recorded high levels of unemployment throughout the year. At February 1991, the highest unemployment rates were in Rotherham and Mexborough TTWA (12.7 per cent), Doncaster (10.8 per cent) and Barnsley (10.5 per cent).

Government Assistance

During 1990-91, 195 applications for Regional Selective Assistance grants were appraised and 96 offers of grant made and accepted. This compared with 220 appraisals and 135 offers in the previous year. The lower numbers of appraisals and offers reflected the cutback and postponement of investment as the recession deepened.

The value of the grants offered totalled £21.5 million with related projects costs of £220.9 million. It was expected that projects receiving assistance would

create or safeguard 4,999 jobs. Some 20 per cent of the offers made related to applications for grant of £25,000 and below. The distribution of assistance across the Region shows that grants were offered on 22 projects in Humberside, 44 projects in South Yorkshire and 30 projects in West Yorkshire (Bradford).

Monitoring of projects supported by Regional Selective Assistance showed that 80 projects were completed during the year and that these created or safeguarded 2,492 jobs compared with a forecast level of 2,425 jobs.

The total number of Regional Enterprise Investment Grant offers in 1990-91 was 310, with a value of £2,664,060. This compared with 274 offers and a value of £2,262,000 in the previous year. REG Innovation Grant offers totalled 45, with a value of £964,357. This compared with 35 offers last year with a total value of £777,000. The majority of Regional Enterprise Grants have gone to businesses in South Yorkshire, mainly in the Sheffield area.

Inward Investment

The overall level of new inward investment enquiries was down on the previous year. The most significant greenfield project by a company new to the region was the establishment of an electrical component plant at Barnsley supplying the automotive industry, by Leopold Kostal GmbH of Germany. This project involved an investment of £6.5 million and is expected to create more than 200 jobs over a three year period. Regional Selective Assistance was offered. There were also a number of expansion projects announced by existing foreign owned companies on which offers of Regional Selective Assistance were made.

Inner Cities and Urban Areas

Regional Selective Assistance has again contributed towards the cost of a number of projects within the inner cities and urban areas of the region. One major example in Bradford was at Kosset Carpets, where a total investment of £7.9 million by the firm will result in the creation and safeguarding of 220 jobs.

East Midlands Region

General

Signs of an economic downturn began to emerge in the East Midlands during the second half of 1990. Growth in manufacturing output slowed and there was evidence of de-stocking and labour shedding as current orders fell, forward order books diminished and companies sought to remain competitive. Business investment levelled off in the last quarter of 1990 and subsequently fell, first in new buildings and later in new plant and machinery. Consumer spending fell towards the end of 1990 and failed to pick up significantly in the early part of 1991. In spite of this general picture of retrenchment business confidence remained steady and was further encouraged by the trend of reducing interest rates which began in the early part of 1991.

Overall the position was patchy both geographically within the region and in terms of its effect on industry sectors. The worst effects of the recession occurred in northern areas where a high dependence on declining primary and manufacturing industries such as coalmining, textiles, agriculture and heavy engineering offered less scope for diversification. In contrast the southern parts of the region, particularly Northamptonshire, fared much better where the economic structure is more closely aligned with that of the South East.

So far as individual industry sectors were concerned, textiles continued to face difficulties. In spite of improved export performance within the industry the balance of trade worsened slightly as competition from low cost imports increased. The knitwear sector in particular suffered from the effects of a second successive hot summer and a move away from knitwear as a fashion item. Recent statistics show that 77 per cent of all knitwear company failures in 1990 occurred in the East Midlands.

The construction sector was sharply affected by the reduction in business investment and activity in the domestic building market dropped dramatically. Pressure on order books in the heavy engineering sector increased significantly, made more marked by destabilisation of oil prices as a result of the Gulf crisis. There was much evidence of short-time working and increasing redundancies in this sector.

Some concern remained over the threat of cheap imported coal to the future of the region's coalfields. However, improvements in productivity in the majority of the 18 pits were expected to extend their life as major suppliers to the power generation industry.

In contrast, the pharmaceutical sector continued to forge ahead with major producers in the region showing increased profitability. It was also noticeable that even in those sectors which generally suffered badly there were a number of individual companies which did well, largely as a result of operating in niche or quality markets where price pressures have less impact and/or on the back of strong export markets.

Exports

The general level of export orders, which was holding steady at the beginning of 1990, began to reduce towards the end of the year. The major markets remained the EC, particularly Germany and Spain, followed by the United States, Japan and other Pacific Rim countries. The Gulf crisis had an adverse effect on many firms in the region (the sharp reduction in the use of air transport adversely affected export sales activity); but it also led a number of firms to look with some success at markets which they had not previously considered. Interest in direct business opportunities in Eastern Europe declined on the realisation that western business methods would take some time to become established, although several regional organisations

became involved in the development of training and other management improvement schemes in those markets.

Inward Investment

In the absence of a regional development organisation much effort was made, through a developing private/public sector partnership, to improve the image of East Midlands as an attractive location for investment.

Significant inward investment attracted to the region during the year included two Japanese projects, producing light bulbs and textiles. Total investment is expected to be over £65 million with 600 jobs to be created. A major United States drinks company also announced a £100 million project to establish a new production plant providing a further 600 jobs. In addition five investment projects announced during the year are expected to bring a further 340 jobs to the region.

Inner Cities and Urban Areas

For the second consecutive year there was a major increase in the activities of the Nottingham/Leicester/Derby City Action Team. In equal partnership with the private sector the Team was able to support more than 30 projects aimed at regenerating the inner cities.

The DTT's rolling programme of Inner City Task Forces continued in the East Midlands with the opening of the Derby Task Force in October 1990.

Unemployment

A continuous fall in unemployment during the first half of 1990 was followed by a period of relative stability until October. Thereafter unemployment increased in parallel with the national profile, although it remained consistently below the Great Britain rate. However, this general picture disguised marked variations in unemployment within the region. Rates of 15.7 per cent in Skegness and 10.6 in Mablethorpe, reflected the seasonal nature of employment in coastal Lincolnshire. Northern parts of the region (Mansfield, Worksop, Chesterfield and Retford) showed rates higher than average whilst in the south, although all areas are now above the 3 per cent full employment threshold, rates remained comparatively low (4.5 per cent for Northampton, 5.9 per cent for Leicester, 4.9 per cent for Wellingborough and 5.2 per cent for Kettering). The number of unfilled vacancies at Job Centres fell by more than one third (nationally 27 per cent). However shortages in some skilled manual, managerial and professional categories continued to be reported until well into the first quarter of 1991.

Government Assistance

During 1990-91 26 applications for Regional Selective Assistance were appraised and 21 offers of grant made. Total grant offered was £0.75 million against project costs totalling £13.5 million and it is expected that 331 jobs will be created or safeguarded as a result.

Twenty-two projects supported by Regional Selective Assistance were completed during the year. These created or safeguarded 938 jobs compared with a forecast of 663.

Regional Enterprise Grant

Regional Enterprise Grant applications during 1990-91 resulted in 27 investment and 6 innovation offers of assistance being made under Section 8 of the Industrial Development Act 1982. Grants offered totalled £0.3 million for investment and £0.13 million for innovation against project costs of £2.6 million and £0.56 million respectively.

RIDB Membership

There have been no changes to the membership of the Board during the year. Members noted with pleasure the award of a Knighthood to the Chairman in the 1991 New Years Honours.

SIR TOM McDONALD, OBE, FCA
Chairman

South West Industrial Development Board

General

In last year's Report, the Board expressed concern over likely economic developments for the coming year. Regrettably, that concern has proved to be well founded with increasing levels of unemployment, company closures and bad debt provision. Cornwall in particular has been very badly hit and the downturn demonstrates that despite the benefits of grant assistance under the Industrial Development Act, the Cornish economy is still insufficiently diverse, too reliant on "branch plant" manufacture and has not yet sufficiently adapted activities such as tourism and agriculture to changing circumstances. Conversely, the Forest of Dean has, with the help of grant assistance, successfully broadened its economic base over recent years and as a consequence has ridden the present recession relatively well. In the opinion of the Board, this diversity demonstrates that more must be done to improve the communication infrastructure of the more peripheral areas particularly since the completion of the Single Market may aggravate the problems of peripherality.

As regards communications, the Board welcomes recent, positive, statements by the Secretary of State for Transport on the importance of air links between regions and London's main airports and expresses the hope that, despite air traffic pressures and proposals for "pricing" solutions, the needs of the regions will continue to be given due weight. The Board also welcomes the continuing proposed improvements to the South West road network but expresses concern that rail links, particularly as regards freight, appear to be given a low priority.

As regards economic diversity, the Board questions whether geographical constraints on grant

assistance continue to be relevant with the advent of the Single Market and urges the Department of Trade and Industry to take a broader view of regional economies and to consider concentrating its efforts on wealth creation, if necessary by abandoning the "job" link required under Section 7 of the Industrial Development Act. The Board welcomes the Department's efforts to bring tourism projects within the scope of grant assistance so as to provide greater encouragement for the tourist industry to offer year round facilities and employment. However, it is aware of the limitations for potential support under Section 7 and therefore, once again, regrets the abolition of grants under Section 4 of the Development of Tourism Act.

On the wider front, the Board notes with concern the apparent lack of preparedness of the business community for the completion of the Single Market despite the considerable efforts of the Department to increase awareness of the opportunities offered. It urges South West business to review their position and to increase their European links.

The Board is of the view that environmental legislation being enacted within the European Community does not take sufficient cognisance of technical preparedness or capability and is being enacted without sufficient consultation with industry. In the opinion of the Board, this may well result in compliance costs beyond the reach of many companies. The apparent inability of local authorities to advise on these issues is a matter of concern.

For the future, the Board notes that reductions in defence expenditure may impact more severely on the South West than elsewhere. Given the scale of redundancies currently taking place in companies within the "defence" sector and the possibility that worse may follow, the Board urges the Department to consider how it might best use its power under the Industrial Development Act to assist viable diversification and restructuring projects.

Development Organisations

The Board wishes to express its gratitude to Toshiba for their generous sponsorship over recent years of the Devon and Cornwall Development Bureau's Tokyo office. That sponsorship ended this year. The Board is of the view that a continued presence in Japan is essential if the two counties are to maximise their share of inward investment opportunities and urges the private sector to contribute towards the maintenance of that office. The Board notes with interest the intention of the Association of British Chambers of Commerce to strengthen and improve the quality of the Chamber movement. The Board welcomes the discussions taking place between Chambers in Devon and Cornwall to establish closer working relationships and expresses the hope that these will lead to the formation of a unitary Chamber. The Board notes the continuing activities of the Devon and Cornwall Development Company. The Board considers it essential that the views of the

private sector in the two counties are co-ordinated and presented in a unified way and urges the private sector to reach an early determination as to how this might best be achieved. The Board likewise urges the Department to seek to ensure that the "economic development" activities of Government Departments are co-ordinated to achieve maximum benefit. Finally, the Board notes the success of the Devon and Cornwall Training and Enterprise Council in increasing company involvement in training.

Selective Assistance

Despite its calls for a reconsideration of the use of Industrial Development Act powers, the Board is appreciative of the positive job creation benefits which have accrued from selective assistance under the Act.

During the year, 54 offers of Regional Selective Assistance totalling £5.4 million were made towards investment of £55.8 million. 1,207 jobs are expected to be created or safeguarded as a result.

Membership

Regrettably, because of the pressure of other commitments, Ken Holmes CBE, Chairman of the Board at the commencement of the year, and Eric Dancer considered it necessary to tender their resignations. The Board would like to record their gratitude to both for their immensely valuable contributions to its deliberations. Roger Bowen also left the Board during the year. The Board welcomed Dr Stan Dennison and Ian Dodds as new members.

ROGER HARRIS
Chairman

West Midlands Industrial Development Board

The West Midlands is especially sensitive to the economic cycle because of the dominance of manufacturing industry, in particular general engineering and component supply. The general recession over the last year has led to a fall in economic activity with a decline in virtually all industrial sectors. Across the region home market sales have fallen and order books are down. Many companies have deferred or shelved capital investment plans and business closures in the region have been at record levels. Exports sales have however held up well considering the overall position. Over 40 per cent of the region's output is exported and over the year levels of business have been at least maintained and probably increased slightly. The effects of the downturn have however also been apparent in the business and commercial sectors although the decline was less marked than in the manufacturing industry and exports again held up well. The completion of the International Conference Centre and related developments in Birmingham will provide a major boost to the local service economy and an opportunity for further

expansion in this sector, they mark an earnest of the region's confidence in the future.

The degree of inward investment by vehicle component companies has been particularly encouraging, reflecting the renewed importance of the vehicles sector in the United Kingdom. Inward investment has also continued to contribute to the diversification of the region's economic base, with notable successes in both manufacturing and service sectors. Although Telford remains a magnet, it has been good to see significant new investment in the conurbation, particularly in Birmingham itself. It is important that the work of Black Country Development Corporation be encouraged, to ensure that this area too becomes better placed to benefit from the strong degree of business interest in the region.

Unemployment

Unemployment in the West Midlands has risen over the last 12 months in line with the national trend. In February 1991 the region had an unemployment rate of 8.3 per cent compared with a rate of 8.2 per cent in Great Britain. Figures for February 1990 were 6.1 per cent and 5.7 per cent respectively. All of the Travel to Work Areas (TTWA) in the West Midlands Assisted Area have experienced an increase in their unemployment rates over the last year. The largest increase has been in the Telford and Bridgnorth TTWA (from 6.0 per cent to 8.5 per cent) whilst Wolverhampton TTWA has the region's highest unemployment rate at 10.7 per cent.

The number of vacancies at Job Centres in the West Midlands has nearly halved; it stood at 8,721 in February 1991, compared with 15,400 a year earlier. During the year to 28 February 1991, 950 companies in the West Midlands notified redundancies. These will result in a job loss of approximately 25,114 compared with 11,900 redundancies during the previous 12 months period.

Regional Selective Assistance

The demand for Regional Selective Assistance has shown a decline for the second consecutive year. 319 applications for Regional Selective Assistance were appraised, resulting in 263 offers of grant. Total grant of £20.4 million was offered towards investment of £253 million and it is expected that 7,290 jobs will be created or safeguarded as a result.

The West Midlands Industrial Development Board considered 25 applications for financial assistance in respect of major projects to be undertaken and offers were made to 21 of these. Almost half of the offers were made to foreign owned companies, illustrating the increasing importance of inward investment in the Region.

Of the total of 263 offers made, the majority (69 per cent) were in respect of grants of £25,000 or less, reflecting the preponderance of small businesses in the region.

Changes in Membership

The year saw the retirement of Brian Sayers and Eric Swainson, both of whom had been members of the Board since its inception in 1984. Eric Swainson had been Chairman of the Board since the beginning, as well as a member of the Industrial Development Advisory Board: his guidance throughout these years has been invaluable and the Board would like to express its gratitude to him and Brian Sayers for their contributions. Keith Day and Merrick Taylor have accepted invitations to become members of the Board.

BRYAN BAKER
Chairman

North West Industrial Development Board

General Outlook

In line with national trends, economic activity in the region began to decline and unemployment to rise during the year. The impact has been felt most severely in the construction and manufacturing industries, particularly in engineering capital goods, textiles, consumer goods and certain parts of the vehicle industry. The defence industries, which are well represented in the region, are increasingly having to adjust to a lower level of activity following the arms reductions taking place in Central Europe. For much of the year the economic slow-down has been less marked than in the South East, but recently there have been signs of an acceleration affecting previously resilient service industries.

The situation is however far from uniformly gloomy; parts of the chemical, pharmaceutical and specialist engineering industries have continued to do well, and in all sectors can be found examples of companies who have continued to develop through good management and well-judged investment.

Merseyside continues to be the focus of much of the Board's work. The arrival of the recession in the autumn found the area on an upturn, after years of economic decline. There is greater realism in the local community—private sector strikes are virtually non-existent—and greater competitiveness in the manufacturing sector. Whilst the recession is testing the durability of these developments—1990 brought a disturbingly high number of actual and threatened closures to the area and 1991 promises to be a hard year too—the position is by no means entirely bleak; Merseyside's resources include an excellent infrastructure including an efficient and increasingly attractive port and Freeport in Liverpool. Local unions have for some years now, been placing greater stress on local economic regeneration—in co-operation with industry—than on confrontation for higher pay. Finally there are encouraging signs of a continued willingness to invest in Merseyside, reflected in proposals for an extension to the Wavertree Technology Park taking

in 24 acres of adjacent land, and forming part of a major expansion programme to attract more high technology business to the Park and create a further 1,500 jobs.

Elsewhere in the region some parts remain prosperous, but in others local problems continue to arise as a result of industrial change. Contractions in nuclear construction and in the defence industry, for example, are causing difficulties in West Cumbria, Furness, parts of Lancashire and prospectively in Greater Manchester. While the Board recognises the value of the Department's present regional policy and other measures to help industry, it feels there is need for continuous review to maintain the effectiveness of such policies in changing circumstances. This is particularly the case for measures designed to help small firms.

Employment Trends

Unemployment rose during the latter part of the year and in March 1991 stood at 9.0 per cent compared with a Great Britain average of 7.4 per cent. This overall figure masks wide variations, ranging from Liverpool, which continues to have severe economic problems, and which has a rate of 13.2 per cent, to Clitheroe, where unemployment is only 3.0 per cent. The only standard economic region with a higher rate was the North (9.9 per cent). The notified redundancy figure at about 28,000 for 1990 was greater than in any of the preceding three years and, although the North West has just less than 11 per cent of Great Britain employment, the region suffered over 18 per cent of the country's redundancies during the year. The difficult trading conditions in a number of industries have led to greater realism over pay, with settlements at either below the rate of inflation or else firmly tied to productivity agreements.

Training remains a major concern to members of the Board. Expenditure remains low by continental standards and even at a time of recession skill shortages persist with keen competition for certain scarce engineering skills. Further progress is needed in developing the educational system to meet the requirements of industry, for example by giving education a practical and factual bias; by increasing the emphasis on language training; and by improving the numbers of high quality engineers and technologists coming into industry.

Regional Selective Assistance

Compared with 1989–90 the number of offers of RSA has declined, but total grant offered has increased. During the year 286 offers of RSA were made of grant assistance amounting to £27.4 million in respect of projects involving capital expenditure totalling £272 million and creating 4,685 jobs and safeguarding 2,371 existing jobs. The scheme continues to be well used by smaller companies: 95 per cent of all offers were made to companies employing less than 200 people and 51 per cent were for grants of £25,000 or less.

Within the Manchester/Salford City Action Team area, 51 offers of assistance have been made, associated with £3.47 million of grant towards projects worth £58.6 million in total, and involving the creation of 861 new jobs and safeguarding a further 21. In the Liverpool/Birkenhead City Action Team Areas 21 offers were made worth £25.1 million involving the creation of 378 new jobs and safeguarding a further 942.

Under the Regional Enterprise Grant Scheme 273 offers to a total value of £2.2 million were made during the year for investment projects and for innovation projects, 33 offers worth £0.69 million.

Technology

The Board attaches considerable importance to the encouragement of technology transfer and of innovation, particularly amongst small and medium sized firms (SMEs), and was pleased to note the continued success of the SMART competition in the region, with 160 applications for stage 1 grant in 1990. In view of the undoubted potential that exists in the region for new products and processes, the Board welcomes the new SPUR scheme and looks for a healthy take-up from SMEs in the North West.

Further progress in developing links between business and the region's universities and polytechnics was reflected in the award of nine new Teaching Company Schemes in the year. Members of the Board also welcome the Department's initiatives to promote the use and development of new environmental technologies.

Regional Promotion and Inward Investment

The Board notes steady progress by INWARD, the North West's regional organisation, which has had its most successful year since its establishment in attracting new investment to the region, with 23 successes involving 1,070 jobs. Members are however conscious that many of the problems highlighted in earlier reports (such as the absence of major strategic sites, and the unjustifiably poor image of the region which still exists in some quarters) still remain and that sustained effort will be required over a number of years if they are to be effectively overcome. A lack of modern, readily available factories is an increasing constraint on attracting inward investment to many parts of the Assisted Areas, where speculative property development by the private sector has declined. The Board sees English Estates as having an important continuing role in ensuring an adequate supply of premises and serviced sites in such areas, and welcomes the intention to strengthen English Estates' range of incentives for private sector development to complement their own construction programme.

Transport Infrastructure

The Board has commented frequently in recent years on the importance of the transport infrastructure for the economic development of the region. Stress is laid once more on such key projects as the completion of the Manchester motorway box, the

provision of fast railfreight links to Europe via the Channel Tunnel, the upgrading of the West Coast main rail route, and the continued expansion of Manchester and Liverpool Airports. Members also welcome improvements in transport facilities within Greater Manchester, such as the planned rail link to Manchester International Airport and the Metrolink light rapid transit system which is now under construction. It is important that all these projects are brought to an early completion if the region is to compete effectively in the future.

The Consultancy Initiative

The demand for these schemes continues to run at a high level, with at 31 March 1991 10,692 applications received, leading to 4,300 completed consultancies. The 10,000th application since the scheme started in 1988 was received in March 1991. Applications under the Quality Initiative predominate, and the Board considers it important that promotional efforts should focus on the benefits of the other, at present less popular, but no less important, types of consultancy which can be supported.

Single European Market (SEM)

This campaign continues, and the Board endorses the efforts being made by the Department to encourage small and medium sized companies to undertake detailed preparation to meet the changed trading conditions which the SEM will bring. It is appropriate here also to recognise the renewed interest in the Chamber of Commerce movement in the region, and the support being offered by the Department to help improve their organisation and the services they offer. The Board hopes that these improved information and advisory services to industry and commerce on the SEM and other issues will contribute to the improved competitiveness of business in the Region.

Inner Cities

Reference has already been made to the use of RSA by firms in the region's inner cities, and the Board attaches particular importance to the continuing efforts of the Government's Action for Cities Initiative in both Manchester and Liverpool, which continue to face severe employment and environmental problems in their inner areas. The City Action Teams (CATs) in Manchester/Salford and Liverpool/Birkenhead have made particular efforts to promote mainstream programmes in the inner city and have been able to bring forward a number of useful projects in partnership with both private and public sector organisations through the use of their Special Budget funds. These have been reinforced by the work of the Task Forces in Moss Side and Hulme, Granby/Toxteth and most recently the Wirral.

Key Issues

The Board notes with regret the number of small businessmen and entrepreneurs who very reasonably took risks in the climate of growth which prevailed

in the late 1980s but who are now facing difficulties as demand begins to contract. Some of the benefits which were expected from RSA-supported projects have been jeopardised by the reluctance of major financial institutions to extend or maintain credit in an economic down-turn. Members feel that a review of the fiscal measures which might help to sustain investment at such periods in the trade cycle would be valuable.

The Board is equally convinced of the need to maintain a strong export performance if the North West and other regions are to prosper. Members recognise the contribution which the Government's export services can make to this and feel that it is essential that such support should match that provided by foreign Governments to their major competitors.

F A RUSSELL
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 and III and Sections 13 and 14 of this Act.

(b) under section 67(1) of the Town and Country Planning Act 1971 and Section 65(1) of the Town and Country Planning (Scotland) Act 1972 (Industrial Development Certificates).

(c) under Part III of the Industry Act 1972 (including any functions in respect of guarantees given by him

under Section 7 of the Shipbuilding Industry Act 1967), and

(d) under the English Industrial Estates Corporation Act 1981.

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

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

3. A report under this Section relating to Part III of this Act or Part III of the Industry Act 1972 shall contain a statement showing the total amount of the liabilities of the Secretary of State (exclusive of any liability in respect of interest on a principal sum) under guarantees given by him under Part III of this Act or Part II of that Act or, as the case may be, under Part III of that Act (and in the latter case shall include liabilities under guarantees given under Section 7 of the Shipbuilding Industry Act 1987).

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

APPENDIX 2

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

TABLE 1 ANALYSIS OF OFFERS BY REGION TO 31 MARCH 1991 (a)

£ million

Region	Regional Development Grants (b)	Section 8					Totals	
		Section 7		General Investment Measures		Other Measures		
		Grants	Loans/Equity (c)	Grants	Loans/Equity (c)		Grants	Loans/Equity (c)
Scotland	nil	809.3	53.8	26.3	nil	52.6	888.2	53.8
Wales	nil	590.9	24.5	28.8	nil	16.2	635.9	24.5
North East	nil	402.5	20.2	7.7	0.5	32.1	442.3	20.7
Yorkshire/Humberside	nil	203.6	9.9	22.6	nil	94.7	320.9	9.9
East Midlands	nil	46.3	1.1	17.1	nil	69.1	132.5	1.1
South East	nil	nil	nil	63.2	0.4	176.9	240.1	0.4
South West	nil	66.9	3.6	9.7	nil	54.5	131.1	3.6
West Midlands	nil	166.1	0.1	43.1	0.3	91.7	300.9	0.4
North West	nil	428.2	28.2	34.2	nil	111.4	573.7	28.2
Northern Ireland	nil	nil	nil	nil	nil	6.4	6.4	nil
Mixed	nil	nil	nil	0.6	4.9	0.8	1.4	4.9
Total	nil	2,713.8	141.4	253.3	6.1	706.4	3,673.4	147.5
Of which, in year ended 31.3.91	nil	345.3	nil	nil	nil	17.6	362.9	nil

(a) This table summarises assistance described in Appendices 5, 7 and 13 (excluding the Energy Conservation Scheme, Steel Castings Rationalisation Scheme and Certification Schemes).

(b) Figures for offers are not appropriate.

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

TABLE 2 ANALYSIS OF PAYMENTS BY REGION TO 31 MARCH 1991 (a)

£ million

Region	Regional Development Grants (b)	Section 8					Totals	
		Section 7		General Investment Measures		Other Measures		
		Grants	Loans/Equity (c)	Grants	Loans/Equity (c)		Grants	Loans/Equity (c)
Scotland	1,914.8	439.0	51.2	20.3	nil	38.5	2,412.6	51.2
Wales	1,199.5	314.2	21.5	24.9	nil	10.3	1,548.9	21.5
North East	1,734.9	260.9	18.0	6.8	0.5	21.5	2,024.1	18.5
Yorkshire/Humberside	406.9	143.1	9.2	18.3	nil	71.6	639.9	9.2
East Midlands	84.4	36.5	1.1	16.3	nil	52.3	189.5	1.1
South East	nil	nil	nil	56.9	0.4	129.8	187.1	0.4
South West	124.7	42.1	3.5	8.6	nil	41.7	217.1	3.5
West Midlands	2.7	95.0	0.1	37.8	0.2	61.9	197.4	0.3
North West	1,154.0	317.4	26.8	32.1	nil	85.0	1,564.9	26.8
Northern Ireland	nil	nil	nil	nil	nil	5.6	5.6	nil
Mixed	nil	nil	nil	0.6	4.9	0.5	6.0	4.9
Total	6,621.9	1,648.2	131.4	222.6	6.0	518.7	8,993.1	137.4
Of which, in year ended 31.3.91	129.6	188	nil	1.7	nil	14.9	334.2	nil

(a) This table summarises assistance described in Appendices 4, 5, 7 and 13 (excluding the Energy Conservation Scheme, the Steel Castings Rationalisation Scheme and Certification Schemes).

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

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

APPENDIX 3

Unemployment Statistics (a)

1990 UNEMPLOYMENT BY AA STATUS
(Narrow base, see note (a))

<i>Region (b)</i>	<i>Number (000)</i>	<i>Per cent</i>
Scotland		
DA	122.7	11.6
IA	33.0	10.6
NAA	46.8	5.7
Total	202.5	9.3
Wales		
DA	33.2	8.8
IA	46.1	8.0
NAA	7.0	5.7
Total	86.3	8.1
Northern		
DA	98.8	11.4
IA	13.6	8.4
NAA	10.5	4.9
Total	122.9	10.0
North West		
DA	105.8	12.1
IA	71.5	7.7
NAA	57.7	6.5
Total	234.9	8.9
Yorkshire and Humberside		
DA	17.3	11.0
IA	82.0	9.5
NAA	62.0	6.5
Total	161.3	7.8
East Midlands		
DA	1.6	5.8
IA	3.0	5.9
NAA	94.7	5.9
Total (c)	99.4	6.0
West Midlands		
IA	124.2	7.9
NAA	28.6	4.4
Total	152.7	6.8
South West		
DA	7.3	12.0
IA	14.5	8.1
NAA	75.6	4.8
Total	97.3	5.2
East Anglia	37.5	4.4
South East (d)	372.4	4.7
Great Britain		
DA	386.6	11.3
IA	387.8	8.4
NAA	792.8	5.0
Total	1,567.3	6.6

Notes:

- (a) Unemployment data is a twelve month average, over the calendar year, of Department of Employment claimant count with 1990 estimates of employees in employment used in calculating the (narrow) base.
- (b) DA = Development Area
IA = Intermediate Area
NAA = Non Assisted Area
Assisted Area boundaries are as last defined (in November 1984). The standard regions are used.
- (c) Small discrepancies in totals are due to rounding.
- (d) In this table, the South East includes London, but not East Anglia.

APPENDIX 4

Regional Development Grants

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

the terms of the Regional Development Grant (Termination) Act 1988.

Note:

Further details of both Original and Revised Regional Development Grant Schemes are to be found in Appendix 4 of the Annual Report of the Industrial Development Act 1982 for the year ended 31 March 1990, published by HMSO: London ISBN 0 10 260090 2 Price £9.25 in September 1990.

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

£'000

Standard Industrial Classification Orders	1990-91			1972-73 to 1990-91		
	Plant and (a) machinery	Buildings (a) and works	Total	Plant and (a) machinery	Buildings (a) and works	Total
	Grant paid			Grant paid		
II Mining and quarrying	0	0	0	107,726	9,615	117,341
III Food, drink and tobacco	635	130	765	427,038	167,710	594,748
IV Coal and petroleum products	100	21	121	442,134	85,688	527,822
V Chemicals and allied industries	3,860	791	4,650	1,119,676	230,288	1,349,963
VI Metal manufacture	67	14	81	581,947	171,313	753,260
VII Mechanical engineering	62	13	75	241,100	101,374	342,474
VIII Instrument engineering	152	31	183	40,908	11,210	52,118
IX Electrical engineering	5,549	1,136	6,685	309,851	86,593	396,444
X Shipbuilding and marine engineering	0	0	0	53,576	34,503	88,079
XI Vehicles	3,829	784	4,613	251,494	66,812	318,306
XII Metal goods not elsewhere specified	29	6	35	97,216	43,107	140,323
XIII Textiles	177	36	213	95,927	43,105	139,032
XIV Leather, leather goods and fur	0	0	0	5,842	2,924	8,766
XV Clothing and footwear	1	0	1	37,555	15,486	53,040
XVI Bricks, pottery, glass, cement, etc	136	28	164	176,110	52,542	228,652
XVII Timber, furniture, etc	2	1	3	65,181	36,571	101,752
XVIII Paper, printing and publishing	832	170	1,002	227,352	72,065	299,417
XIX Other manufacturing industries	110	23	133	105,447	34,676	140,123
XX Construction	0	0	0	103,595	7,388	110,983
Other	1	0	1	39,782	17,047	56,829
Total	15,542	3,183	18,725	4,529,457	1,290,016	5,819,472

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

TABLE 2 ORIGINAL REGIONAL DEVELOPMENT GRANTS: PAYMENTS BY AREA IN 1990-91

£'000

Area	Plant and machinery (a)			Buildings and works (a)			Total plant and machinery and buildings and works
	SDA	DA	Total plant and machinery	SDA	DA	Total buildings and works	
Scotland	7,507	0	7,507	1,538	0	1,538	9,045
Wales	46	1,607	1,653	10	328	338	1,991
Northern	4,864	361	5,225	996	74	1,070	6,295
Yorkshire and Humberside	0	2	2	0	0	0	2
East Midlands	0	93	93	0	19	19	112
South West	59	0	59	12	0	12	71
West Midlands	0	0	0	0	0	0	0
North West	891	108	999	182	22	204	1,203
Total	13,367	2,175	15,542	2,738	445	3,183	18,725

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

TABLE 3 ORIGINAL REGIONAL DEVELOPMENT GRANTS: PAYMENTS BY REGION IN 1972-73 TO 1990-91

£'000

Area	Plant and machinery (a)			Buildings and works (a)				Total buildings and works	Total plant and machinery and buildings and works
	SDA	DA	Total plant and machinery	SDA	DA	IA	DLCA		
Scotland	749,221	601,059	1,350,281	185,256	141,289	12,660	0	339,205	1,689,487
Wales	367,837	498,953	866,790	71,242	96,189	17,817	0	185,248	1,052,038
Northern	612,367	683,530	1,295,897	136,819	125,263	46	0	262,128	1,558,025
Yorkshire and Humberside	0	172,279	172,279	0	39,166	136,611	0	175,777	348,056
East Midlands	0	26,423	26,423	0	4,866	17,313	3,979	26,158	52,581
South West	9,449	70,557	80,007	2,531	17,325	4,946	0	24,802	104,809
West Midlands	0	0	0	0	0	680	2,013	2,693	2,693
North West	635,761	102,018	737,779	133,214	17,369	123,421	0	274,004	1,011,783
Total	2,374,635	2,154,819	4,529,456	529,062	441,467	313,494	5,992	1,290,015	5,819,472

(a) Since 1982-83, the split between plant and machinery and buildings and works has been estimated from a sample number of applications.

Note: The cumulative figures shown in Table 3 may not agree in certain cases with the sum of figures shown for individual years (Table 2). This is because when Table 3 was introduced for the first time in the Annual Report for the year ended 31 March 1977 it took account of information which was not available when the annual tables in Reports for earlier years were prepared.

TABLE 4 REVISED REGIONAL DEVELOPMENT GRANTS: VALUE OF PAYMENTS

£'000

Standard Industrial Classification Division (SIC 1980)	1990-91	1984-85(a) to 1990-91	
	Payments	Grant in relation to approved projects (b)	Payments
1. Energy and water supply industries	117	3,469	1,182
2. Extraction of minerals and ores other than fuels; manufacture of metals, mineral product	11,830	144,001	75,401
3. Metal goods, engineering and vehicle industries	51,067	555,349	291,353
4. Other manufacturing industries	40,707	583,750	340,315
7. Transport and communications	103	13,788	8,360
8. Banking, finance, insurance, business services and leasing	2,240	73,996	46,762
9. (i) Industrial research and development in specialised research establishments only	353	2,069	606
(ii) Football pools only	0	87	24
Other	4,410	68,792	38,421
Total	110,827	1,445,301	802,424

(a) From 29 November 1984.

(b) No new approvals were made in financial year 1990-91. The increase in grant approved related to revision to previous approvals.

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

£'000

Area	1990-91	1984-85(a) to 1990-91	
	Payments	Grant in relation to approved projects (b)	Payments
Scotland	32,985	430,153	225,359
Wales	20,063	271,905	147,457
North East	28,309	290,627	176,945
North West	19,297	244,852	142,156
Yorkshire and Humberside	5,449	96,687	58,853
East Midlands	3,741	77,434	31,767
South West	983	33,643	19,887
Total	110,827	1,445,301	802,424

(a) From 29 November 1984.

(b) No new approvals were made in financial year 1990-91. The increase in grant approved related to revision to previous approvals.

APPENDIX 5

Regional Enterprise Grants

Applications Received, Offers Accepted and Payments Made: 1 April 1990
to 31 March 1991

1. INVESTMENT GRANTS

Region	Applications		Offers Accepted		Payments
	Number	Project Costs (£'000)	Number	Offer Value (£'000)	(£'000)
Scotland	503	32,859	376	2,840	1,617
Wales	264	15,880	187	1,202	971
North East	510	26,670	411	2,587	1,680
Yorkshire/Humberside	394	28,309	303	2,592	1,965
East Midlands	30	3,089	25	280	205
South West	185	11,158	121	837	584
North West	427	54,087	273	2,210	1,583
Total	2,313	172,052	1,696	12,549	8,603

2. INNOVATION GRANTS

Region	Applications		Offers Accepted		Payments
	Number	Project Costs (£'000)	Number	Offer Value (£'000)	(£'000)
Scotland	122	21,525	80	1,835	1,162
Wales	93	10,477	38	765	533
North East	73	5,959	28	525	675
Yorkshire/Humberside	79	16,343	44	949	762
East Midlands	7	745	6	130	96
South West	26	4,527	10	195	120
North West	71	64,357	33	689	653
Total	471	123,933	239	5,089	4,002

3. TOTAL INVESTMENT AND INNOVATION GRANTS

Region	Applications		Offers Accepted		Payments
	Number	Project Costs (£'000)	Number	Offer Value (£'000)	(£'000)
Scotland	625	57,384	456	4,675	2,779
Wales	357	26,357	225	1,967	1,504
North East	583	32,629	439	3,112	2,355
Yorkshire/Humberside	473	44,652	347	3,541	2,727
East Midlands	37	3,834	31	410	301
South West	211	15,685	131	1,032	704
North West	498	118,444	306	2,899	2,236
Total	2,784	295,985	1,935	17,638	12,604

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

General Guidelines for Regional Selective Assistance

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

Projects qualifying for assistance fall into two broad categories:

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

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

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

(a) Viability

An assessment is made of the viability of the project and of the undertaking seeking assistance;

(b) Proof of need

The applicant must demonstrate that the assistance is needed for the project to go ahead on the basis proposed.

(c) Efficiency

Assistance is provided only for projects which are likely to strengthen the regional and national economy and thereby provide more productive and secure jobs eg by improving efficiency and/or by the introduction of new technology or products. Job displacement elsewhere is also taken into consideration.

(d) Employment Link

Assistance is only provided where there is a benefit to employment. Projects should lead to a creation of additional employment (Category A) or the safeguarding of existing employment through modernisation or rationalisation (Category B) in the Assisted Areas.

(e) Public Sector Contribution

The greater part of the cost of projects should be met by the applicant or from other sources outside the public sector.

Eligible Industries

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

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

Forms of Assistance

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

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

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

Procedures and Delegation

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

APPENDIX 7

Statistics Relating to Section 7 of the Industrial Development Act 1982

TABLE 1 GREAT BRITAIN: CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1990 to 31 MARCH 1991

	<i>Offers Accepted: 1.4.90 to 31.3.91</i>					<i>Cumulative Offers Accepted to 31.3.91</i>					
	<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>		<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>		<i>Total Payments (£'000)</i>
			<i>New</i>	<i>Safeguarded</i>				<i>New</i>	<i>Safeguarded</i>		
<i>Special Development Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	206	66,277				61,287
Old Criteria Grants	nil	nil	nil	nil	nil	1,818	276,324	6,798,443	242,064	131,869	239,326
OSIS Grants	nil	nil	nil	nil	nil	494	35,240				21,147
Project Grants	nil	nil	nil	nil	nil	1,409	349,478				269,037
Training Grants	nil	nil	nil	nil	nil	81	37,994				26,535
Total Grants	nil	nil	nil	nil	nil	3,802	699,036	6,798,443	242,064	131,869	556,045
<i>Development Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	130	35,823				34,970
Old Criteria Grants	nil	nil	nil	nil	nil	1,239	84,910	11,484,352	258,305	112,366	71,565
OSIS Grants	nil	nil	nil	nil	nil	345	26,541				19,008
Project Grants	537	278,109	1,663,392	31,709	5,246	3,880	1,100,820				502,102
Training Grants	nil	nil	nil	nil	nil	65	18,475				15,577
Total Grants	537	278,109	1,663,392	31,709	5,246	5,529	1,230,746	11,484,352	258,305	112,366	608,252
<i>Intermediate Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	151	39,232				34,969
Old Criteria Grants	nil	nil	nil	nil	nil	2,387	118,754	8,590,405	304,145	152,589	103,854
OSIS Grants	nil	nil	nil	nil	nil	402	18,171				14,183
Project Grants	677	64,564	768,671	14,402	6,211	6,401	634,847				357,993
Training Grants	nil	nil	nil	nil	nil	29	12,458				7,959
Total Grants	677	64,564	768,671	14,402	6,211	9,219	784,230	8,590,405	304,145	152,589	483,989
<i>All Assisted Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	487	141,332				131,226
Old Criteria Grants	nil	nil	nil	nil	nil	5,444	479,988	26,873,200	804,514	396,824	414,745
OSIS Grants	nil	nil	nil	nil	nil	1,241	79,952				54,338
Project Grants	1,214	342,673	2,432,063	46,111	11,457	11,690	2,085,145				1,129,132
Training Grants	nil	nil	nil	nil	nil	175	68,927				50,071
Total Grants	1,214	342,673	2,432,063	46,111	11,457	18,550	2,714,012	26,873,200	804,514	396,824	1,648,286

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

(a) Repayment of loans

TABLE 2 SCOTLAND: CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1990 to 31 MARCH 1991

	<i>Offers Accepted: 1.4.90 to 31.3.91</i>					<i>Cumulative Offers Accepted to 31.3.91</i>					
	<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment New</i>	<i>Estimated Employment Safeguarded</i>	<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment New</i>	<i>Estimated Employment Safeguarded</i>	<i>Total Payments (£'000)</i>
<i>Special Development Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	78	29,382				27,568
Old Criteria Grants	nil	nil	nil	nil	nil	594	77,812	2,479,127	92,655	33,459	62,505
OSIS Grants	nil	nil	nil	nil	nil	111	10,488				5,103
Project Grants	nil	nil	nil	nil	nil	503	127,486				99,514
Training Grants	nil	nil	nil	nil	nil	33	29,729				20,669
Total Grants	nil	nil	nil	nil	nil	1,241	245,515	2,479,127	92,655	33,459	187,791
<i>Development Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	45	20,950				20,615
Old Criteria Grants	nil	nil	nil	nil	nil	470	41,115	4,373,291	83,618	44,246	32,583
OSIS Grants	nil	nil	nil	nil	nil	21	1,808				1,558
Project Grants	166	166,625	1,012,260	15,749	2,974	949	404,629				150,989
Training Grants	nil	nil	nil	nil	nil	16	9,503				8,257
Total Grants	166	166,625	1,012,260	15,749	2,974	1,456	457,055	4,373,291	83,618	44,246	193,387
<i>Intermediate Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	5	3,490				2,990
Old Criteria Grants	nil	nil	nil	nil	nil	51	11,613	1,123,661	22,191	18,826	11,401
OSIS Grants	nil	nil	nil	nil	nil	27	2,494				1,394
Project Grants	32	9,494	103,188	2,154	1,614	402	91,528				43,962
Training Grants	nil	nil	nil	nil	nil	3	1,050				1,050
Total Grants	32	9,494	103,188	2,154	1,614	483	106,685	1,123,661	22,191	18,826	57,807
<i>All Assisted Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	128	53,822				51,173
											(a) 19,384
Old Criteria Grants	nil	nil	nil	nil	nil	1,115	130,540	7,976,079	198,464	96,531	106,489
OSIS Grants	nil	nil	nil	nil	nil	159	14,790				8,055
Project Grants	198	176,119	1,115,448	17,903	4,588	1,854	623,643				294,465
Training Grants	nil	nil	nil	nil	nil	52	40,282				29,976
Total Grants	198	176,119	1,115,448	17,903	4,588	3,180	809,255	7,976,079	198,464	96,531	438,985

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

(a) Repayment of loans

TABLE 3 WALES: CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1990 to 31 MARCH 1991

	<i>Offers Accepted: 1.4.90 to 31.3.91</i>					<i>Cumulative Offers Accepted to 31.3.91</i>					
	<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>		<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>		<i>Total Payments (£'000)</i>
				<i>New</i>	<i>Safeguarded</i>				<i>New</i>	<i>Safeguarded</i>	
<i>Special Development Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	46	7,410				7,210
Old Criteria Grants	nil	nil	nil	nil	nil	290	66,160	1,415,592	43,652	10,046	59,014
OSIS Grants	nil	nil	nil	nil	nil	45	3,452				1,777
Project Grants	nil	nil	nil	nil	nil	280	68,092				43,230
Training Grants	nil	nil	nil	nil	nil	8	2,223				2,001
Total Grants	nil	nil	nil	nil	nil	623	139,927	1,415,592	43,652	10,046	106,022
<i>Development Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	47	7,566				7,419
Old Criteria Grants	nil	nil	nil	nil	nil	273	15,199	2,269,101	64,657	28,561	13,601
OSIS Grants	nil	nil	nil	nil	nil	128	9,831				6,800
Project Grants	104	65,005	296,329	7,601	417	782	271,675				112,761
Training Grants	nil	nil	nil	nil	nil	9	3,508				3,244
Total Grants	104	65,005	296,329	7,601	417	1,192	300,213	2,269,101	64,657	28,561	136,406
<i>Intermediate Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	27	9,521				6,856
Old Criteria Grants	nil	nil	nil	nil	nil	143	9,057	1,699,275	36,387	18,080	8,478
OSIS Grants	nil	nil	nil	nil	nil	53	1,577				1,120
Project Grants	97	14,610	134,385	2,198	2,155	653	139,704				61,920
Training Grants	nil	nil	nil	nil	nil	2	473				308
Total Grants	97	14,610	134,385	2,198	2,155	851	150,811	1,699,275	36,387	18,080	71,826
<i>All Assisted Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	120	24,497				21,485
Old Criteria Grants	nil	nil	nil	nil	nil	706	90,416	5,383,968	144,696	56,687	81,093
OSIS Grants	nil	nil	nil	nil	nil	226	14,860				9,697
Project Grants	201	79,615	430,714	9,799	2,572	1,715	479,471				217,911
Training Grants	nil	nil	nil	nil	nil	19	6,204				5,553
Total Grants	201	79,615	430,714	9,799	2,572	2,666	590,951	5,383,968	144,696	56,687	314,254

(a) 19,609

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

TABLE 4 ENGLAND: CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1990 to 31 MARCH 1991

	<i>Offers Accepted: 1.4.90 to 31.3.91</i>					<i>Cumulative Offers Accepted to 31.3.91</i>					
	<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>		<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>		<i>Total Payments (£'000)</i>
			<i>New</i>	<i>Safeguarded</i>				<i>New</i>	<i>Safeguarded</i>		
<i>Special Development Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	82	29,485				26,509
Old Criteria Grants	nil	nil	nil	nil	nil	934	132,352	2,903,724	105,757	88,364	117,807
OSIS Grants	nil	nil	nil	nil	nil	338	21,300				14,267
Project Grants	nil	nil	nil	nil	nil	626	153,900				126,293
Training Grants	nil	nil	nil	nil	nil	40	6,042				3,865
Total Grants	nil	nil	nil	nil	nil	1,938	313,594	2,903,724	105,757	88,364	262,232
<i>Development Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	38	7,307				6,936
Old Criteria Grants	nil	nil	nil	nil	nil	496	28,596	4,841,960	110,030	39,559	25,381
OSIS Grants	nil	nil	nil	nil	nil	196	14,902				10,650
Project Grants	267	46,479	354,803	8,359	1,855	2,149	424,516				238,352
Training Grants	nil	nil	nil	nil	nil	40	5,464				4,076
Total Grants	267	46,479	354,803	8,359	1,855	2,881	473,478	4,841,960	110,030	39,559	278,459
<i>Intermediate Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	119	26,221				25,123
Old Criteria Grants	nil	nil	nil	nil	nil	2,193	98,084	5,767,469	245,567	115,683	83,975
OSIS Grants	nil	nil	nil	nil	nil	322	14,100				11,669
Project Grants	548	40,460	531,098	10,050	2,442	5,346	403,615				252,111
Training Grants	nil	nil	nil	nil	nil	24	10,935				6,601
Total Grants	548	40,460	531,098	10,050	2,442	7,885	526,734	5,767,469	245,567	115,683	354,356
<i>All Assisted Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	239	63,013				58,568
											(a) 45,404
Old Criteria Grants	nil	nil	nil	nil	nil	3,623	259,032	13,513,153	461,354	243,606	227,163
OSIS Grants	nil	nil	nil	nil	nil	856	50,302				36,586
Project Grants	815	86,939	885,901	18,409	4,297	8,121	982,031				616,756
Training Grants	nil	nil	nil	nil	nil	104	22,441				14,542
Total Grants	815	86,939	885,901	18,409	4,297	12,704	1,313,806	13,513,153	461,354	243,606	895,047

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

(a) Repayment of loans

TABLE 5 NORTH EASTERN: CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1990 to 31 MARCH 1991

	<i>Offers Accepted: 1.4.90 to 31.3.91</i>					<i>Cumulative Offers Accepted to 31.3.91</i>					
	<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>		<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>		<i>Total Payments (£'000)</i>
			<i>New</i>	<i>Safeguarded</i>				<i>New</i>	<i>Safeguarded</i>		
Loans/Equity	nil	nil	nil	nil	nil	68	20,224				17,990
											(a) 17,421
Old Criteria Grants	nil	nil	nil	nil	nil	688	59,293	4,540,007	121,472	56,284	51,634
OSIS Grants	nil	nil	nil	nil	nil	196	13,162				8,367
Project Grants	149	18,845	157,400	3,872	588	1,635	323,365				196,026
Training Grants	nil	nil	nil	nil	nil	54	6,717				4,912
Total Grants	149	18,845	157,400	3,872	588	2,573	402,537	4,540,007	121,472	56,284	260,939

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

(a) Repayment of loans

TABLE 6 YORKSHIRE & HUMBERSIDE: CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1990 to 31 MARCH 1991

	<i>Offers Accepted: 1.4.90 to 31.3.91</i>					<i>Cumulative Offers Accepted to 31.3.91</i>					
	<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>		<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>		<i>Total Payments (£'000)</i>
				<i>New</i>	<i>Safeguarded</i>				<i>New</i>	<i>Safeguarded</i>	
Loans/Equity	nil	nil	nil	nil	nil	57	9,913				9,186
											(a) 7,812
Old Criteria Grants	nil	nil	nil	nil	nil	962	36,407	2,293,942	100,690	40,241	31,691
OSIS Grants	nil	nil	nil	nil	nil	203	9,189				7,397
Project Grants	97	21,560	221,257	4,396	618	1,226	152,852				100,815
Training Grants	nil	nil				9	5,157				3,157
Total Grants	97	21,560	221,257	4,396	618	2,400	203,605	2,293,942	100,690	40,241	143,060

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

(a) Repayment of loans

TABLE 7 EAST MIDLANDS: CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1990 to 31 MARCH 1991

	<i>Offers Accepted: 1.4.90 to 31.3.91</i>					<i>Cumulative Offers Accepted to 31.3.91</i>					
	<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>		<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>		<i>Total Payments (£'000)</i>
				<i>New</i>	<i>Safeguarded</i>				<i>New</i>	<i>Safeguarded</i>	
Loans/Equity	nil	nil	nil	nil	nil	17	1,063				1,057
											(a) 965
Old Criteria Grants	nil	nil	nil	nil	nil	263	5,184	393,991	29,357	1,693	4,706
OSIS Grants	nil	nil	nil	nil	nil	53	10,174				7,730
Project Grants	17	335	4,630	124	70	394	30,309				23,555
Training Grants	nil	nil				8	667				558
Total Grants	17	335	4,630	124	70	718	46,334	393,991	29,357	1,693	36,549

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

(a) Repayment of loans

TABLE 8 SOUTH WEST: CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1990 to 31 MARCH 1991

	<i>Offers Accepted: 1.4.90 to 31.3.91</i>					<i>Cumulative Offers Accepted to 31.3.91</i>					
	<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>		<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>		<i>Total Payments (£'000)</i>
				<i>New</i>	<i>Safeguarded</i>				<i>New</i>	<i>Safeguarded</i>	
Loan/Equity	nil	nil	nil	nil	nil	27	3,557				3,491
											(a) 3,144
Old Criteria Grants	nil	nil	nil	nil	nil	243	11,310	636,288	26,421	5,669	9,838
OSIS Grants	nil	nil	nil	nil	nil	35	1,309				836
Project Grants	54	5,419	55,811	1,162	45	403	52,358				30,326
Training Grants	nil	nil				5	1,945				1,079
Total Grants	54	5,419	55,811	1,162	45	686	66,922	636,288	26,421	5,669	42,079

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

(a) Repayment of loans

TABLE 9 WEST MIDLANDS: CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1990 to 31 MARCH 1991

	<i>Offers Accepted: 1.4.90 to 31.3.91</i>					<i>Cumulative Offers Accepted to 31.3.91</i>					
	<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>		<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>		<i>Total Payments (£'000)</i>
				<i>New</i>	<i>Safeguarded</i>				<i>New</i>	<i>Safeguarded</i>	
Loans/Equity	nil	nil	nil	nil	nil	1	60				60
											(a) 60
Old Criteria Grants	nil	nil	nil	nil	nil	13	727	1,625,953	49,856	23,591	721
OSIS Grants	nil	nil	nil	nil	nil	nil	nil				nil
Project Grants	243	14,385	181,470	4,383	1,381	2,251	161,721				91,241
Training Grants	nil	nil	nil	nil	nil	7	3,674				3,053
Total Grants	243	14,385	181,470	4,383	1,381	2,271	166,122	1,625,953	49,856	23,591	95,015

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

(a) Repayment of loans

TABLE 10 NORTH WEST: CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1990 to 31 MARCH 1991

	<i>Offers Accepted: 1.4.90 to 31.3.91</i>					<i>Cumulative Offers Accepted to 31.3.91</i>					
	<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>		<i>Number</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>		<i>Total Payments (£'000)</i>
				<i>New</i>	<i>Safeguarded</i>				<i>New</i>	<i>Safeguarded</i>	
Loans/Equity	nil	nil	nil	nil	nil	69	28,196				26,784
											(a) 16,002
Old Criteria Grants	nil	nil	nil	nil	nil	1,454	146,111	4,022,972	133,558	116,128	128,573
OSIS Grants	nil	nil	nil	nil	nil	369	16,468				12,256
Project Grants	255	26,395	265,333	4,472	1,595	2,212	261,426				174,793
Training Grants	nil	nil	nil	nil	nil	21	4,281				1,783
Total Grants	255	26,395	265,333	4,472	1,595	4,056	428,286	4,022,972	133,558	116,128	317,405

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

(a) Repayment of loans

TABLE 11 CUMULATIVE OFFERS AND PAYMENTS BY TYPE OF INDUSTRY TO 31 MARCH 1991 IN GREAT BRITAIN (a)

<i>Standard Industrial Classification (SIC) 1980</i>	<i>Loans/Equity</i>		<i>Old Criteria Grants</i>		<i>Project Grants</i>		<i>Training Grants</i>		<i>Payments Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Estimated Employment</i>	
	<i>Number</i>	<i>Value (£'000)</i>	<i>Number</i>	<i>Value (£'000)</i>	<i>Number</i>	<i>Value (£'000)</i>	<i>Number</i>	<i>Value (£'000)</i>			<i>New</i>	<i>Safe</i>
0 Agriculture, forestry and fishing	1	25	10	141	35	1,400	nil	nil	920	11,921	536	168
1 Energy and water supply industries	1	100	17	306	52	7,726	1	300	3,956	73,877	1,560	741
2 Extraction of minerals, fuels; manufacture of metals, mineral products and chemicals	56	19,921	752	62,119	1,345	274,908	16	3,765	251,589	4,681,089	77,603	62,074
3 Metal goods, engineering and vehicles industries	221	73,588	2,215	294,423	4,631	1,137,446	94	55,660	912,220	13,787,221	383,835	218,165
4 Other manufacturing industries	201	46,846	2,315	119,776	4,500	543,602	62	9,111	505,231	6,940,622	268,211	111,955
5 Construction	3	543	52	1,105	135	6,229	nil	nil	5,059	80,823	6,129	159
6 Distribution, hotels and catering; repairs	3	229	44	982	368	29,772	1	40	16,483	339,880	10,207	2,069
7 Transport and communication	nil	nil	8	284	104	13,232	nil	nil	6,435	210,220	4,899	229
8 Banking, finance insurance, business services and leasing	1	80	26	725	380	39,464	1	51	17,742	334,140	12,076	721
9 Other services	nil	nil	5	127	140	31,366	nil	nil	5,539	224,544	4,227	422
Total	487	141,332	5,444	479,988	11,690	2,085,145	175	68,927	1,725,174	26,684,337	769,283	396,703

(a) Excluding Office and Service Industries Scheme

TABLE 12 PAYMENTS MADE BY FINANCIAL YEAR FOR GREAT BRITAIN

£'000

<i>Financial Year</i>	<i>Loans/ Equity</i>	<i>Old Criteria Grants</i>	<i>Project Grants</i>	<i>Training Grants</i>	<i>OSIS Grants</i>	<i>Total</i>
1972-73	248	54	nil	nil	nil	302
1973-74	19,924	3,173	18	nil	nil	23,115
1974-75	20,210	14,850	3	nil	190	35,253
1975-76	43,867	21,933	18	nil	1,017	66,835
1976-77	21,514	20,037	23	nil	1,641	43,215
1977-78	16,090	32,617	nil	nil	2,144	50,851
1978-79	5,325	95,982	18	nil	3,105	104,430
1979-80	3,900	73,777	1,507	nil	3,423	82,607
1980-81	100	61,688	10,039	23	5,327	77,177
1981-82	36	42,761	28,431	1,826	3,899	76,953
1982-83	12	28,006	55,580	2,532	5,348	91,478
1983-84	nil	9,539	64,809	5,357	9,575	89,280
1984-85	nil	3,390	81,357	6,122	7,485	98,354
1985-86	nil	3,388	97,516	13,811	4,968	119,683
1986-87	nil	1,031	114,235	8,066	2,447	125,779
1987-88	nil	1,070	140,655	6,093	2,408	150,226
1988-89	nil	1,449	176,088	1,988	1,345	180,870
1989-90	nil	nil	173,500	2,887	16	176,403
1990-91	nil	nil	185,335	1,366	nil	186,701
Total	131,226	414,745	1,129,132	50,071	54,338	1,779,512

Old Criteria Grants include Interest Relief and Removal Grants

OSIS = Office and Service Industries Scheme

APPENDIX 8

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

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

TABLE 1

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

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

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

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

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

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

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

European Coal and Steel Community (ECSC)

ECSC loans are available under Article 54 of the Treaty of Paris for projects which contribute directly to improving efficiency, productivity or marketing in the coal and steel industries and under Article 56 of the Treaty for projects in most sectors of industry which provide new employment opportunities in coal or steel closure areas. Both forms of lending are eligible for exchange risk cover. The loans are medium-term (generally eight years) and are normally made

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

Size of Loans

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

Loans down to a minimum of £10,000 are available through 3i plc, most clearing Banks and the Welsh Development Agency which have global loan agreements with ECSC. Loans involving sums of more than £5.25 million are negotiated directly with the Commission.

Progress of the Scheme

In 1990–91 funds worth £101 million were provided for use by ECSC agents.

APPENDIX 10

Financial Assistance under Section 13 of the Industrial Development Act 1982

TABLE 1 IMPROVEMENT OF BASIC SERVICES IN THE AREA FOR EXPANSION

<i>Department</i>	<i>Service</i>	<i>Applications</i>				<i>Applications Approved</i>			
		<i>Brought Forward from 1989-90</i>	<i>Received in 1990-91</i>	<i>Rejected</i>	<i>Withdrawn</i>	<i>Under Consideration</i>	<i>Number</i>	<i>Estimated Cost (£'000)</i>	<i>Estimated Grant (£'000)</i>
Department of the Environment	Sewerage	33	26	6	2	40	11	2,100	325
	Water	13	17	5	2	20	3	52	9
Department of Transport	Roads	12	32	1	1	21	21	8,489.563	1,593.114
Scottish Office Environment Department	Roads	3	6	nil	nil	nil	9	1,267	317
	Sewerage	5	1	1	nil	4	1	282	85
	Water supply	3	1	2	nil	1	1	31	9
Welsh Office	Roads	18	9	0	1	16	10	7,527	1,362
	Water	12	15	0	1	19	7	646	194
	Sewerage	7	4	0	1	9	1	76	22
Department of Energy	Gas/electricity	nil	nil	nil	nil	nil	nil	nil	nil
Total		106	111	15	8	130	64	20,470.563	3,916.114

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

TABLE 1 STOCK OF PREMISES MANAGED BY ENGLISH ESTATES AS AT 31 MARCH 1991 (a)

Region	Status of area (b)	Leasable Stock							
		Total		Occupied		Vacant		Under Construction (c)	
		units	area m ²	units	area m ²	units	area m ²	units	area m ²
North East	AA	2,100	936,931	1,764	838,728	336	98,203	33	19,833
	NAA	157	40,020	131	34,785	26	5,235	nil	nil
North West	AA	1,633	383,112	1,374	330,740	259	52,372	39	15,961
	NAA	433	137,537	363	120,513	70	17,024	nil	nil
Yorkshire and Humberside	AA	704	184,885	612	156,580	92	28,305	53	24,470
	NAA	315	53,142	282	49,913	33	3,229	3	372
East Midlands	AA	34	8,375	30	7,245	4	1,130	nil	nil
	NAA	332	60,524	275	52,373	57	8,151	48	4,080
West Midlands	AA	49	9,233	48	9,098	1	135	nil	nil
	NAA	231	34,904	213	32,405	18	2,499	3	558
South West	AA	507	84,992	416	71,087	91	13,905	7	4,124
	NAA	380	54,488	310	46,767	70	7,721	2	464
South East	NAA	422	58,413	270	43,454	152	14,959	3	371
	Total	7,297	2,046,556	6,088	1,793,688	1,209	252,868	191	70,233

(a) RDC premises included

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

(c) Under Construction includes Extensions and Custom Built Premises

TABLE 2 EMPLOYMENT IN OCCUPIED ENGLISH ESTATES PREMISES (a) (POSITION AT YEAR ENDING 31 MARCH 1991)

Region	1990	1991
	Total	Total
North East	38,035	39,567
North West	18,316	17,820
Yorkshire and Humberside	7,390	7,095
East Midlands	1,428	1,301
West Midlands	2,193	2,183
South West	5,155	7,151
South East	2,206	2,060
Total Leased	74,723	77,177
Sold by English Estates (b) or privately built on English Estates Land	100,093	108,420
Total	174,816	185,597

(a) RDC premises included

(b) Cumulative figures since 1936

TABLE 3 ENGLISH ESTATES: PREMISES (a)

Region	Status of area (b)	Occupied during 1990-91 (c)		Vacated during 1990-91		Reserved Vacant at 31 March 1990		Available for letting at 31 March 1991 Vacant — Res. Vacant		Vacancy rate
		units	area m ²	units	area m ²	units	area m ²	units	area m ²	
North East	AA	339	65,666	364	70,350	47	27,658	289	70,545	7.5
	NAA	536	4,485	30	4,139	10	3,184	16	2,051	5.1
North West	AA	231	37,005	252	33,735	68	15,876	191	36,496	9.5
	NAA	97	11,405	92	12,613	11	7,487	59	9,537	6.9
Yorkshire and Humberside	AA	171	25,215	160	18,178	9	3,731	83	24,574	13.2
	NAA	32	3,211	28	2,875	nil	nil	33	3,229	6.0
East Midlands	AA	11	1,746	7	692	nil	nil	4	1,130	13.4
	NAA	77	8,473	86	10,659	nil	nil	57	8,151	13.4
West Midlands	AA	1	455	2	525	nil	nil	1	135	1.4
	NAA	18	2,338	22	2,663	1	139	17	2,360	6.7
South West	AA	111	11,112	134	13,999	4	574	87	13,331	15.6
	NAA	49	4,500	53	4,087	20	2,219	50	5,502	10.0
South East	NAA	75	8,093	73	7,332	20	2,327	132	12,632	21.6
Total		1,248	183,704	1,303	181,847	190	63,195	1,019	189,673	9.2

(a) RDC premises included

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

(c) Occupied includes Lettings plus Extensions and Custom built

TABLE 4 FACTORY BUILDING COMPLETED 1990-91

	Area Status (a)	Advance Premises						Total	
		Department of Trade and Industry		Rural Development Commission		Extensions and Custom Built		units	m ²
		units	m ²	units	m ²	units	m ²		
North East	AA	85	50,855	27	2,599	1	929	113	54,383
	NAA	nil	nil	9	1,508	nil	nil	9	1,508
North West	AA	23	12,654	nil	nil	1	1,413	24	14,067
	NAA	nil	nil	22	2,181	1	1,426	23	3,607
Yorkshire and Humberside	AA	45	24,062	4	277	nil	nil	49	24,339
	NAA	nil	nil	26	3,189	nil	nil	26	3,189
East Midlands	AA	nil	nil	nil	nil	nil	nil	nil	nil
	NAA	nil	nil	30	3,551	nil	nil	30	3,551
West Midlands	AA	nil	nil	nil	nil	nil	nil	nil	nil
	NAA	nil	nil	7	1,483	nil	nil	7	1,483
South West	AA	3	556	4	324	nil	nil	7	880
	NAA	nil	nil	39	5,019	nil	nil	39	5,019
South East	AA	nil	nil	nil	nil	nil	nil	nil	nil
	NAA	nil	nil	32	4,113	nil	nil	32	4,113
Total		156	88,127	200	24,244	3	3,768	359	116,139

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

TABLE 5 RENT FREE PERIODS GRANTED BY ENGLISH ESTATES DURING 1990-91

Region	Number	Value £
North	2	17,291.09
North West	3	3,216.00
Yorkshire and Humberside	nil	nil
East Midlands	nil	nil
West Midlands	nil	nil
South West	nil	nil
South East	1	1,625.00
Total	6	22,132.09

(a) RDC premises included

TABLE 6 EXPENDITURE AND RECEIPTS IN RESPECT OF DTI LAND AND BUILDINGS IN 1990-91

	<i>£'000</i>
<i>Expenditure (a)</i>	
Land Acquisition	4,012
Cost of works and modernisation of factories	58,841
	<u>62,853</u>
<i>Receipts</i>	
Net Rents	16,794
Cash sales of land and buildings	22,223
Capital instalment of credit sales of land and buildings	371
Interest in respect of credit sales	176
Other capital receipts	2,023
Reduction in retained funds	4,466
	<u>46,053</u>

(a) Includes £11.5 million capital expenditure at Chatham and £9.95 million on Managed Workspace initiatives.

TABLE 7 ANALYSIS OF 1990-91 DTI CAPITAL EXPENDITURE (includes Chatham and Managed Workspace)

<i>Region</i>	<i>Expenditure (£'000s)</i>
North East	17,167
North West	12,433
Yorkshire and Humberside	10,160
East Midlands	1,805
West Midlands	5
South West	2,765
South East	18,518
Total	<u>62,853</u>

APPENDIX 12

Assistance under Section 1 of the Derelict Land Act 1982

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

<i>Brought forward from 1989-90</i>	<i>1990-91</i>		<i>Applications</i>			<i>Applications approved (b)</i>			<i>Applications outstanding at 31 March (d)</i>
	<i>Received</i>	<i>Number</i>	<i>Refused</i>		<i>Number</i>	<i>Area (Hectares)</i>	<i>Estimated cost (£'000)</i>	<i>Grant payable (£'000)</i>	
			<i>Area (c) (Hectares)</i>	<i>Number withdrawn</i>					
457	436	10	22	12	338	1,250	35,386	24,309	531

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

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

(c) Where known

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

APPENDIX 13

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

TABLE SUMMARY OF APPLICATIONS AND OFFERS TO 31 MARCH 1991

	Date of introduction	Closing Date for applications	Applications			Number	Offers		Payments (£'000)	
			Received	Rejected or withdrawn	Under consideration at 31.3.89		Project costs (£'000)	Assistance offered (£'000)	Cumulative	Year to 31.3.91
<i>Schemes open for applications 31.3.91</i>										
General										
Assistance for Exceptional Projects	12. 1.88	Not applicable	40	36	2	2	30,000	5,000	1,400	1,400
Other										
Certification Schemes	April '83	Not applicable	71	17	10	44	9,669	2,570	2,638	291
Regional Enterprise Grants	11. 4.88	Not applicable	8,548	N/A	N/A	5,399	N/A	46,944	22,133	12,604
Total			8,659	53	12	5,445	39,669	54,514	26,171	14,295
<i>Schemes closed for applications at 31.3.91 with transactions outstanding</i>										
General										
Support for Major Projects	17. 7.79	18. 3.89	471	285	nil	186	688,675	69,469	53,224	341
Other										
Microelectronics Industry Support Programme 1	26. 7.78	12. 1.88	204	38	nil	166	276,430	59,047	53,293	10
Investment Support for Microelectronics	19. 3.84	12. 1.88	184	74	nil	150	144,635	41,696	25,934	780
Fibre Optics	27. 7.81	12. 1.88	35	9	nil	26	41,379	5,965	4,402	nil
Advanced Manufacturing Technology (b.c.)	8. 6.82	30. 6.86	612	271	nil	341	267,304	59,319	44,767	1,735
Coal Firing Scheme	22. 5.81	30. 6.87	911	481	nil	430	274,369	50,319	47,205	39
Total			2,417	1,158	nil	1,299	1,692,792	285,185	228,825	2,905
<i>Schemes closed for applications at 31.3.91 with no transactions outstanding</i>										
General										
Accelerated Projects	15. 4.75	31. 7.76	297	186	nil	111	586,107	70,659	69,829	nil
Selective Investment Scheme	15.12.76	30. 6.79	766	590	nil	176	1,055,834	108,372	98,174	nil
Other										
Wool Textile Stage 1	19. 7.73	31.12.75	331	26	nil	305	74,810	16,977	16,183	nil
Wool Textile Stage 2	29.11.76	31.12.77	72	5	nil	67	30,494	7,457	6,208	nil
Ferrous Foundry	5. 8.75	31.12.76	514	164	nil	350	284,457	68,242	47,916	nil
Machine Tool	5. 8.75	31.12.77	438	126	nil	312	168,154	32,324	22,899	nil
Clothing	15.10.75	31.12.77	1,114	197	nil	917	93,450	20,383	13,884	nil
Paper and Board	15. 6.76	30. 6.78	149	52	nil	97	86,986	19,388	18,725	nil
Non-Ferrous Foundry	24. 1.77	31. 7.78	347	98	nil	249	101,234	22,035	11,826	nil
Electronics Components	24. 1.77	31.12.78	149	64	nil	85	59,200	15,603	12,100	nil
Instrumentation and Automation	1.11.77	30. 4.79	229	70	nil	159	50,120	8,424	6,844	nil
Drop Forging	8.11.77	30. 6.79	124	33	nil	91	24,361	6,128	4,044	nil
Footwear	18. 4.78	31. 3.80	572	92	nil	480	29,227	4,896	3,374	nil
Printing Machinery	13. 8.76	31.12.77	75	17	nil	58	73,256	14,317	8,795	nil
Textile Machinery	13. 8.76	31.12.77	81	27	nil	54	66,660	12,859	6,270	nil
Poultrymeat Processing	4. 8.76	31. 3.77	124	45	nil	79	42,986	8,059	7,319	nil
Redmeat Slaughterhouse	9.11.76	30.11.80	498	126	nil	372	116,156	16,152	12,980	nil
Steel Casting	14.12.81	Not applicable	4	1	nil	3	20,204	7,156	7,156	nil
Private sector Steel	14.12.81	7. 3.84	255	49	nil	206	124,852	35,765	32,247	nil
Energy Conservation	13. 6.78	30. 6.80	5,512	1,265	nil	4,427	102,181	26,459	25,135	nil
Small Engineering Firms Investment Scheme (1)	30. 3.82	28. 5.82	1,882	436	nil	1,446	96,441	32,147	25,990	nil
Small Engineering Firms Investment Scheme (2)	31. 3.83	30. 9.83	6,415	1,524	nil	4,891	232,314	72,917	48,224	nil
Computer Aided Dsgn and Test Equipment	1. 8.82	12. 3.84	1,334	254	nil	1,080	101,794	25,971	21,828	nil
Innovation-Linked Investment Scheme	1. 6.83	22. 5.84	139	71	nil	68	11,985	2,239	1,426	nil
Quality Assurance	20. 6.83	19.12.86	693	181	nil	546	18,909	4,257	3,053	nil
Total			22,114	5,699	nil	26,257	3,652,172	659,186	532,429	nil
Total (all Schemes)			33,190	6,910	12	23,001	5,384,633	998,885	787,425	17,200

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

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

(c) Does not include consultancy studies

APPENDIX 14

General Investment Support for Major Projects

TABLE APPLICATIONS AND OFFERS TO 31 MARCH 1991

Region	Applications									
	Received		Rejected or withdrawn		Under consideration		Offers			
	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)	Assistance offered (£'000)	Payments (£'000)
Scotland	21	557,703	16	551,852	nil	nil	5	6,026	795	741
Wales	13	199,356	4	177,940	nil	nil	9	21,698	2,839	2,722
North East	14	62,701	7	46,706	nil	nil	7	21,013	2,064	1,196
Yorkshire and Humberside	42	205,153	29	143,988	nil	nil	13	61,166	7,100	2,818
East Midlands	46	238,257	36	181,449	nil	nil	10	60,802	6,106	5,556
South East	131	727,326	83	486,651	nil	nil	48	233,494	21,205	15,813
South West	35	200,594	25	165,386	nil	nil	10	38,986	3,060	2,421
West Midlands	122	424,408	59	252,317	nil	nil	63	162,748	20,770	17,152
North West	47	293,381	26	225,635	nil	nil	21	62,742	5,530	4,805
Total	471	2,908,879	285	2,231,924	nil	nil	186	668,675	69,469	53,224
of which in year ended 31.3.91	nil	nil	nil	nil	nil	nil	nil	nil	nil	341

Assistance for Exceptional Projects

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

improvements in the performance of other United Kingdom companies, such as customers or suppliers to the applicant, and/or

a substantial long-term impact on United Kingdom capability in a significant activity.

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

applicant must prove that:

The project is commercially viable; and

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

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

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

TABLE APPLICATIONS AND OFFERS TO 31 MARCH 1991

Region	Applications						Offers			
	Received		Rejected or withdrawn		Under consideration		Number	Project costs (£'000)	Assistance offered (£'000)	Payments (£'000)
	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)				
Scotland	5	3,415	5	3,415	nil	nil	nil	nil	nil	nil
Wales (a)	2	30,000	nil	nil	nil	nil	2	30,000	5,000	1,400
North East	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil
Yorkshire and Humberside	8	605,500	8	605,500	nil	nil	nil	nil	nil	nil
East Midlands	1	30,000	1	30,000	nil	nil	nil	nil	nil	nil
South East	10	406,389	10	406,389	nil	nil	nil	nil	nil	nil
South West	1	10,000	1	10,000	nil	nil	nil	nil	nil	nil
West Midlands	6	161,295	6	161,295	nil	nil	nil	nil	nil	nil
North West	7	800,500	5	765,000	2	35,500	nil	nil	nil	nil
Total	40	2,047,099	36	1,981,599	2	35,500	2	30,000	5,000	1,400
of which in year ended 31.3.91	5	70,300	10	1,017,300	2	35,500	nil	nil	nil	1,400

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

APPENDIX 16

Small Firms Loan Guarantee Scheme

TABLE 1: GUARANTEES ISSUED FROM INCEPTION IN JUNE 1981 TO 31 MARCH 1991 BY REGION

<i>Region (a)</i>	<i>Number</i>	<i>Value (£m)</i>
Scotland	1,848	59.73
Wales	1,446	41.58
North East	1,443	40.83
Yorkshire & Humberside	2,198	62.13
East Midlands	1,751	56.75
South East	10,495	364.78
South West	2,774	81.90
West Midlands	2,303	69.94
North West	3,496	102.34
Northern Ireland	335	12.31
Total	28,089	892.29

(a) by standard DTI regions

TABLE 2: GUARANTEES ISSUED FROM 1 APRIL 1989 TO 31 MARCH 1991 BY REGION

<i>Region (a)</i>	<i>Number</i>	<i>Value (£m)</i>
Scotland	295	12.32
Wales	394	8.89
North East	429	9.89
Yorkshire & Humberside	505	12.67
East Midlands	380	10.74
South East	2,569	79.45
South West	759	19.14
West Midlands	485	12.64
North West	782	19.21
Northern Ireland	52	2.13
Total	6,650	187.08

(a) by standard DTI regions

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

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

scheme for consultancy studies closed for applications on 31 March 1988 and the assistance scheme for AMT installations closed for applications on 30 June 1986.

At 31 March 1991, grants totalling £59.3 million had been offered for the installation of 341 systems, and £12.7 million towards 973 Planning and Implementation Studies.

TABLE APPLICATIONS AND OFFERS UNDER THE INDUSTRIAL DEVELOPMENT ACT 1982 TO 31 MARCH 1991 AMT INSTALLATIONS

Region	Applications									
	Received		Rejected or withdrawn		Under consideration		Offers			
	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)	Assistance offered (£'000)	Payments (£'000)
Scotland	39	55,987	20	45,615	nil	nil	19	9,843	2,102	1,624
Wales	18	12,349	10	10,015	nil	nil	8	2,024	569	231
North East	27	20,290	10	11,490	nil	nil	17	7,895	1,871	1,519
Yorkshire and Humberside	41	35,641	18	15,553	nil	nil	23	20,391	4,895	3,390
East Midlands	53	59,916	31	44,143	nil	nil	22	15,981	3,680	2,396
South East	166	140,960	78	63,088	nil	nil	88	70,532	14,361	9,504
South West	68	46,838	23	30,089	nil	nil	45	17,213	4,869	4,053
West Midlands	124	129,186	52	52,796	nil	nil	72	69,672	16,381	13,305
North West	72	82,496	29	28,495	nil	nil	43	52,029	10,222	8,429
Northern Ireland	4	1,798	nil	nil	nil	nil	4	1,591	369	316
Total	612	585,461	271	301,285	nil	nil	341	267,171	59,319	44,767
of which in year ended 31.3.91	nil	nil	nil	nil	nil	nil	nil	nil	nil	1,735

APPENDIX 18

Investment Support for Microelectronics (MISP2)

TABLE APPLICATIONS AND OFFERS TO 31 MARCH 1991

Region	Applications						Offers			
	Received		Rejected or withdrawn		Under consideration		Number	Project costs (£'000)	Assistance offered (£'000)	Payments (£'000)
	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)				
Scotland	6	38,162	1	30,000	nil	nil	5	7,377	1,377	1,217
Wales	1	450	1	450	nil	nil	nil	nil	nil	nil
North East	2	2,313	1	1,816	nil	nil	1	497	99	75
Yorkshire and Humberside	2	788	1	240	nil	nil	1	608	134	134
East Midlands	18	95,539	15	93,613	nil	nil	3	1,005	210	154
South East	84	312,370	33	147,089	nil	nil	51	147,477	25,373	13,327
South West	23	153,772	15	111,930	nil	nil	8	41,933	4,914	4,582
West Midlands	4	3,589	1	2,163	nil	nil	3	1,125	278	141
North West	39	74,850	2	2,567	nil	nil	37	71,550	8,472	5,731
Mixed	5	6,102	4	3,705	nil	nil	1	2,397	839	573
Total	184	687,935	74	393,573	nil	nil	110	273,969	41,696	25,934
of which in year ended 31.3.91	nil	nil	nil	nil	nil	nil	nil	nil	nil	780

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

Investment Support for Fibre Optics and Opto-Electronics

TABLE 1 APPLICATIONS AND OFFERS UNDER THE SCIENCE AND TECHNOLOGY ACT 1965 TO 31 MARCH 1991

Region	Applications						Offers			
	Received		Rejected or withdrawn		Under consideration		Number	Project costs (£'000)	Assistance offered (£'000)	Payments (£'000)
	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)				
Scotland	5	2,774	2	1,452	nil	nil	3	718	207	157
Wales	4	2,925	3	2,448	nil	nil	1	477	98	48
North East	3	5,105	nil	nil	nil	nil	3	3,207	727	289
Yorkshire and Humberside	19	9,610	3	692	nil	nil	16	8,030	2,204	1,930
East Midlands	4	1,574	1	390	nil	nil	3	1,133	371	328
South East	133	135,846	26	19,390	nil	nil	107	114,327	27,090	20,527
South West	12	21,312	2	5,282	nil	nil	10	10,365	2,813	2,215
West Midlands	4	13,130	1	7,587	nil	nil	3	5,155	1,310	1,171
North West	9	16,909	6	15,781	nil	nil	3	1,191	1,196	1,184
Mixed	1	32	nil	nil	nil	nil	1	32	32	32
Total	194	209,217	44	53,022	nil	nil	150	144,635	36,048	27,881
of which in year ended 31.3.91	nil	nil	nil	nil	nil	nil	nil	nil	nil	278

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

TABLE 2 APPLICATIONS AND OFFERS UNDER THE INDUSTRIAL DEVELOPMENT ACT 1982 TO 31 MARCH 1991

Region	Applications						Offers			
	Received		Rejected or withdrawn		Under consideration		Number	Project costs (£'000)	Assistance offered (£'000)	Payments (£'000)
	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)				
Scotland	1	489	1	489	nil	nil	nil	nil	nil	nil
Wales	2	1,061	1	470	nil	nil	1	241	15	15
North East	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil
Yorkshire and Humberside	2	1,539	nil	nil	nil	nil	2	1,147	308	211
East Midlands	3	6,108	nil	nil	nil	nil	3	6,063	611	436
South East	20	44,235	7	7,239	nil	nil	13	23,917	3,092	2,359
South West	7	10,127	nil	nil	nil	nil	7	10,011	1,939	1,381
West Midlands	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil
North West	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil
Total	35	63,559	9	8,198	nil	nil	26	41,379	5,965	4,402
of which in year ended 31.3.91	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil

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

Assistance for the Development of Certification Schemes

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

to raise the overall quality of the marketed product.

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

APPENDIX 21

Coal Firing Scheme

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

The Scheme was open to commercial undertakings in manufacturing, commerce, agriculture and service sector, with some exceptions, notably banking and insurance. The Scheme was essentially directed at the private sector and public sector bodies were generally excluded. The Scheme closed to new applications on 30 June 1987. Projects are required to be completed within two years except for particularly large projects where the completion date may be extended by prior agreement with the Department.

TABLE APPLICATIONS AND OFFERS TO 31 MARCH 1991

Region	Applications						Offers			
	Received		Rejected or withdrawn		Under consideration		Number	Project costs (£'000)	Assistance offered (£'000)	Payments (£'000)
	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)				
Scotland	69	59,393	38	43,168	nil	nil	31	16,225	2,872	2,778
Wales	40	49,983	29	43,154	nil	nil	11	6,829	1,245	1,119
North East	44	51,778	23	10,136	nil	nil	21	41,642	4,738	4,714
Yorkshire and Humberside	151	30,765	70	17,458	nil	nil	81	13,307	3,070	2,911
East Midlands	88	51,512	41	42,330	nil	nil	47	9,182	2,190	2,123
South East	173	148,470	106	65,313	nil	nil	67	83,157	15,521	14,381
South West	54	14,508	22	7,747	nil	nil	32	6,761	1,380	1,261
West Midlands	59	19,732	32	10,822	nil	nil	27	8,910	1,830	1,556
North West	205	160,870	105	90,164	nil	nil	100	70,706	14,412	13,542
Northern Ireland	28	24,738	15	7,088	nil	nil	13	17,650	3,061	2,820
Total	911	611,749	481	337,880	nil	nil	430	274,369	50,319	47,205
of which in year ended 31.3.91	nil	nil	nil	nil	nil	nil	nil	nil	nil	39

APPENDIX 22

Microelectronics Industry Support Programme (MISP1)

TABLE 1 APPLICATIONS AND OFFERS UNDER THE INDUSTRIAL DEVELOPMENT ACT 1982 TO 31 MARCH 1991

Region	Applications						Offers			
	Received		Rejected or withdrawn		Under consideration		Number	Project costs (£'000)	Assistance offered (£'000)	Payments (£'000)
	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)				
Scotland	14	97,535	4	38,060	nil	nil	10	59,475	8,642	8,245
Wales	5	529	nil	nil	nil	nil	5	440	118	105
North East	3	722	1	193	nil	nil	2	529	139	104
East Midlands	28	59,337	1	224	nil	nil	27	53,517	10,747	9,667
South East	48	77,651	19	16,579	nil	nil	29	58,645	13,833	12,419
South West	34	50,443	7	5,655	nil	nil	27	35,379	9,101	7,793
West Midlands	7	3,812	1	225	nil	nil	6	3,411	932	397
North West	61	70,432	1	238	nil	nil	60	65,034	15,535	14,563
Mixed	4	11,398	4	11,398	nil	nil	nil	nil	nil	nil
Total	204	371,859	38	72,572	nil	nil	166	276,430	59,047	53,293
of which in year ended 31.3.91	nil	nil	nil	nil	nil	nil	nil	nil	nil	10

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

TABLE 2 APPLICATIONS AND OFFERS UNDER THE SCIENCE AND TECHNOLOGY ACT 1965 TO 31 MARCH 1991

Region	Applications						Offers			
	Received		Rejected or withdrawn		Under consideration		Number	Project costs (£'000)	Assistance offered (£'000)	Payments (£'000)
	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)				
Wales	4	224	nil	nil	nil	nil	4	162	45	40
East Midlands	2	5,632	nil	nil	nil	nil	2	5,132	1,371	1,246
South East	10	3,719	1	100	nil	nil	9	3,630	1,218	1,130
South West	5	1,030	1	240	nil	nil	4	833	458	426
West Midlands	1	480	nil	nil	nil	nil	1	480	120	118
North West	10	5,384	nil	nil	nil	nil	10	5,384	1,338	1,290
Total	32	16,469	2	340	nil	nil	30	15,621	4,550	4,250
of which in year ended 31.3.91	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil

Note.— Some of the data in the above table may not be compatible with figures in past reports. Recent computerisation has produced corrected data.

Assistance to the Shipbuilding Industry

Home Credit Scheme for Shipbuilding

In the year to 31 March 1991 payments of interest grant totalled £52.0 Million. These were made to the banks under the authority of the Industry Act 1975 (Section 25).

STATEMENT OF GUARANTEES FOR THE YEAR ENDED 31 MARCH 1991

	<i>Number of Guarantees</i>	<i>Amount of Principal Guaranteed (£'000)</i>
Guarantees current on 1 April 1990	310	840,476
Guarantees given in year 1990-91	40	213,139
Repayments in year 1990-91 (a)	45	128,943
Guarantees current on 31 March 1991	305	924,632

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

APPENDIX 24

Assistance to Local Enterprise Agencies

LOCAL ENTERPRISE AGENCY GRANTS SCHEME (LEAGS) 1990-91

<i>Region (a)</i>	<i>Number of agencies assisted</i>	<i>Total payments (£'000)</i>
Northern	12	92,500
North West	37	282,095
Yorkshire & Humberside	13	89,704
West Midlands	18	157,550
East Midlands	20	185,670
South East	33	226,743
London	20	153,650
South West	27	172,884
	180	1,360,796

(a) by standard TA region

LOCAL ENTERPRISE AGENCY PROJECTS SCHEME (LEAPS) MADE UNDER SECTION II 1990-91

<i>Region (a)</i>	<i>Number of agencies assisted</i>	<i>Total payments (£'000)</i>
Northern	8	102,254
North West	9	75,696
Yorkshire & Humberside	—	—
West Midlands	8	96,097
East Midlands	—	—
South East	—	—
London	12	157,490
South West	2	7,480
	39	439,017

(a) by standard TA region

The Enterprise Initiative: Consultancy Assistance

Objectives and Scope

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

The management functions covered by the scheme include:

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

Eligibility

Consultancy assistance is available to most British-based firms and members of groups with fewer than 500 employees worldwide, with a few exceptions (eg those engaged in agriculture, forestry, fishing and mineral extraction). In July 1990 eligibility was extended to Business Support Organisations. Each firm or member of a group may receive support for up to two projects (in different consultancy areas) of between five and 15 consultant days. DTI contributes half of the cost (two-thirds in Assisted and Urban Programme Areas).

Procedure

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

If the Counsellor recommends assisted consultancy, the case is referred to one of the Department's independent Scheme Contractors who will match an appropriate consultant to the needs of the firm and oversee and monitor the quality of the project (including approval of terms of reference agreed between the firm and the consultant, and of the consultant's final report). Consultants are eligible to be listed for work under the scheme if they have either two years' experience of

independent operation, and can demonstrate that they have the appropriate expertise and skills. Consultancy practices contribute to the costs of the administration and promotion of the scheme through the payment of application, listing and project fees.

The principal Scheme Contractors are:

- a) 3i Enterprise Support Ltd (for business planning and financial & management information systems)
- b) Design Council (for design)
- c) Pera International (for manufacturing and services systems and quality)
- d) Chartered Institute of Marketing (for marketing)

Instalment projects—these 5-day projects with standard Terms of Reference were introduced for the benefit of smaller firms (normally fewer than 25 employees) who, in the opinion of the Enterprise Counsellor, are unsure about the benefits of consultancy and who have limited resources. Firms who undertake instalment projects have the option of extending their projects to the full 15 days.

Post Completion Visit

Six to twelve weeks after project completion the Enterprise Counsellor will return to the firm to review the effectiveness of the project, check to see if the firm was satisfied with the consultant and discuss implementation of the consultant's recommendations. The Enterprise Counsellor will also assess whether the firm needs Implementation Guidance (see below) and further encourage the firm to look at what action is necessary to prepare for the Single Market.

Implementation Guidance—when a project has been completed, a further five days of consultants' advice may, at the Enterprise Counsellor's discretion, be offered to firms to assist them with implementing the recommendations of the consultant. This element was introduced for the benefit of smaller firms who are most likely to lack the expertise to gain full benefit from their projects.

Post Implementation Visit

One year after project completion firms receive a further visit from the Enterprise Counsellor. The main purpose of this visit is to provide the Department with an indication of the extent to which the consultant's recommendations have been implemented, to identify evidence of the real economic benefit to the company from the consultancy and to discuss Single Market issues.

Evaluation

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

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

The three separate reports are available as HMSO publications:

“ Evaluation of the Consultancy Initiatives ” by Segal Quince Wicksteed—ISBN 0-11-514677-6, price £10.95.

“ Evaluation of the Consultancy Initiatives—Second Stage ” by Segal Quince Wicksteed—ISBN 0-11-515269-5, price £12.00.

“ Evaluation of the Consultancy Initiatives—Third Stage ” by Segal Quince Wicksteed—ISBN 0-11-515270-9, price £15.00.

TABLE 1 APPLICATIONS TO 31 MARCH 1991

Region	Applications Received	Applications not Recommending Consultancy		Projects Approved	Projects Completed	Actual Spend (£'000)*
		Pre Business Review	At Business Review			
Scotland	4,677	365	471	3,627	2,229	8,703
Wales	3,998	135	795	2,802	1,529	5,935
North East	3,721	88	688	2,683	1,332	4,941
Yorks & Humberside	6,891	370	1,088	4,982	2,779	10,642
East Midlands	5,095	88	938	3,703	1,830	6,021
East	6,224	99	1,761	3,882	1,785	5,781
South East	20,019	693	4,052	13,383	6,121	19,050
South West	7,448	56	1,832	4,646	2,224	6,975
West Midlands	8,163	160	1,448	5,612	3,047	11,431
North West	10,670	339	1,453	8,135	4,730	16,069
Total	76,906	2,393	14,526	53,455	27,606	95,548

* Actual Spend Consultancies—including Business Reviews.

TABLE 2 PROJECTS APPROVED BY ASSISTED AREA AND URBAN PROGRAMME AREA TO 31 MARCH 1991

Region	Projects Approved	AA/UPA %
Scotland	3,627	91.1
Wales	2,802	91.6
North East	2,683	96.9
Yorks & Humberside	4,982	80.3
East Midlands	3,703	35.2
East	3,882	0.0
South East	13,383	19.4
South West	4,646	33.2
West Midlands	5,612	74.3
North West	8,135	71.7
Total	53,455	50.8

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

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

TABLE 3 PROJECTS APPROVED BY INDUSTRIAL SECTOR TO 31 MARCH 1991

Region	Projects Approved	Production %	Services %
Scotland	3,627	52.3	47.7
Wales	2,802	48.9	51.1
North East	2,683	48.3	51.7
Yorks & Humberside	4,982	57.3	42.7
East Midlands	3,703	57.5	42.5
East	3,882	40.3	59.7
South East	13,383	36.0	64.0
South West	4,646	37.8	62.2
West Midlands	5,612	65.2	34.8
North West	8,135	54.8	45.2
Total	53,455	48.2	51.8

TABLE 4 PROJECTS APPROVED BY SIZE OF FIRM TO 31 MARCH 1991

<i>Region</i>	<i>Projects Approved</i>	<i>Size of Firm (%)</i>				
		<i><10</i>	<i>10—24</i>	<i>25—99</i>	<i>100—199</i>	<i>200—499</i>
Scotland	3,627	27.2	25.5	34.5	8.0	4.7
Wales	2,802	36.8	27.9	28.1	5.4	1.9
North East	2,683	33.8	29.8	28.3	6.0	2.1
Yorks & Humberside	4,982	28.3	30.4	30.9	7.1	3.3
East Midlands	3,703	28.3	28.1	32.6	7.3	3.6
East	3,882	35.0	27.9	28.8	6.0	2.3
South East	13,383	41.0	27.1	25.1	4.7	2.1
South West	4,646	42.1	26.9	25.0	4.1	1.9
West Midlands	5,612	28.4	29.8	32.6	6.7	2.5
North West	8,135	33.1	29.0	29.7	5.6	2.5
Total	53,455	34.7	28.2	28.8	5.8	2.6

APPENDIX 26

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

During the year, some changes were made to the membership and chairmanship of some of the boards. The names below represent the position at 31 March 1991.

Industrial Development Advisory Board

Chairman

Sir Ronald Halstead, CBE

Members

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

Scottish Industrial Development Advisory Board

Chairman

Mr. D. J. MacLeod, CBE

Members

Mr. Y. Ali, OBE
Mr. P. H. J. de Vink
Mr. B. J. F. Fox
Mr. J. J. G. Good
Mr. J. C. G. Halley
Mr. J. M. Little, CBE
Mr. A. Merrills, OBE
Mr. D. M. Paterson
Mr. J. C. Shaw, CBE
Mr. A. K. Smith, CBE
Mr. P. Timms, MBE

Welsh Industrial Development Advisory Board

Chairman

Sir Peter Phillips, OBE

Members

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

North East Industrial Development Board

Chairman

Mr. R. F. Bishop, CBE

Members

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

Yorkshire and Humberside and East Midlands Industrial Development Board

Chairman

Sir Tom McDonald, OBE, FCA.

Members

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

South West Industrial Development Board

Chairman

Mr. R. J. Harris

Members

Mr. A. Deardon
Dr. S. Dennison
Mr. I. Dodds
Mr. P. G. Fitzgerald
Mr. P. J. Gregory
Mr. M. E. Knight
Mr. V. Parsons

West Midlands Industrial Development Board

Chairman

Mr. B. W. Baker

Members

Mr. K. Day
Mr. R. J. Dickens
Mr. J. A. Doel
Mr. S. A. Eccleston
Mr. R. G. Hodgson
Mr. T. S. Kelleher
Mr. M. J. Price, CBE
Mr. B. Sedghi
Mr. M. Taylor

North West Industrial Development Board

Chairman

Mr. F. A. Russell

Members

Mr. J. B. Ashworth, MBE
Mr. E. Baxendale
Mr. E. J. Billington
Mr. D. L. Davies
Mr. J. C. Dwek
Mr. G. N. Elliott, OBE
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