

# 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 1986

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

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*Ordered by The House of Commons to be printed  
24 July 1986*

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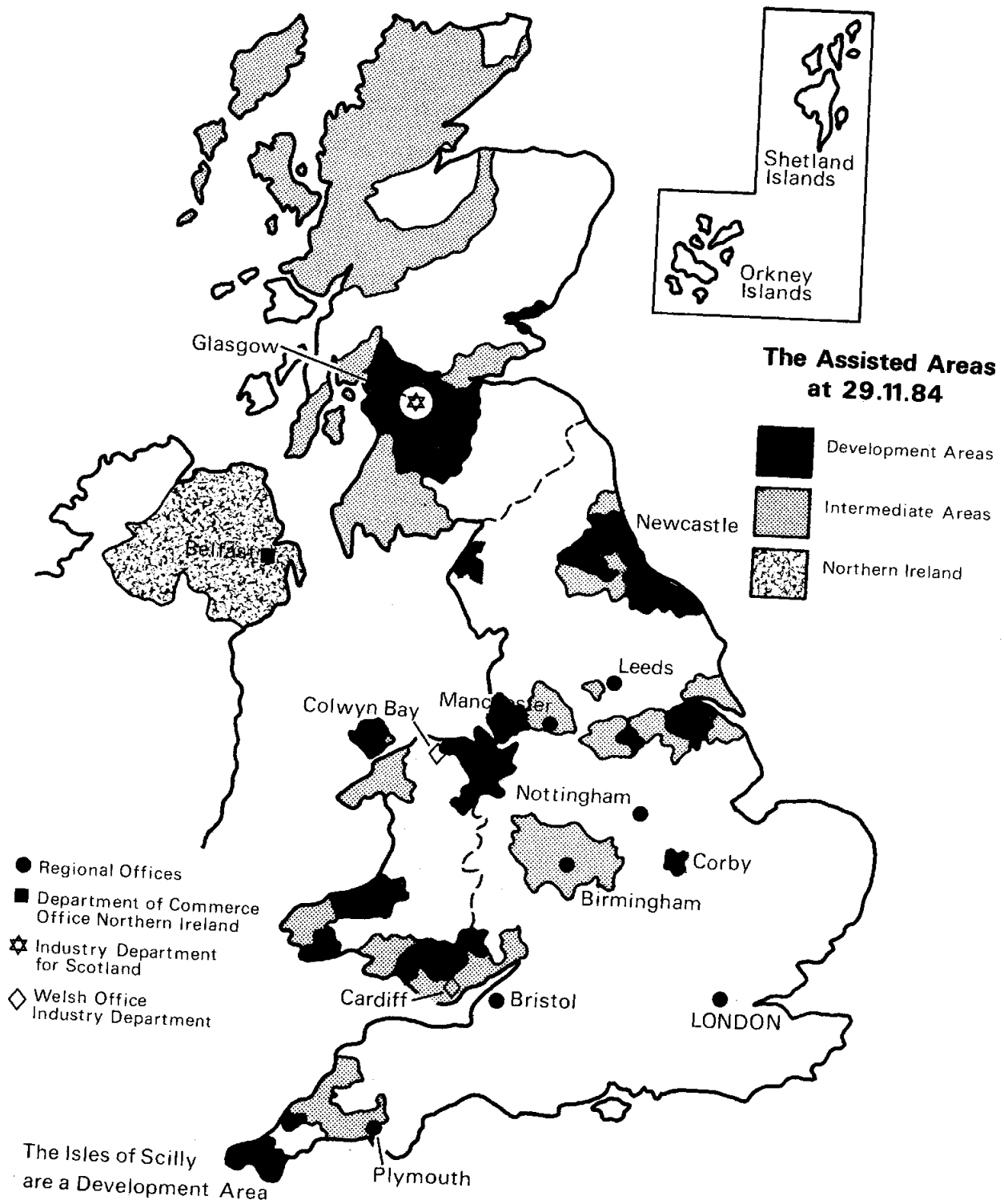
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# Industrial Development Act 1982

## 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 1986, describes the exercise of powers under the Industrial Development Act 1982 referred to in Sections 11 and 15 of the Act, including the powers under past legislation which that Act consolidated. Sections 11 and 15 are reproduced at Appendix 1.

2. The Report opens with an account of measures of regional support and goes on to describe national investment support and special assistance to shipbuilding and small firms. It is concluded 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 1986.

3. New arrangements to simplify and harmonize the number of Department of Trade and Industry schemes of assistance for industry and commerce were announced in March 1985. The measures of assistance are now presented under the title of *Support for Business*<sup>1</sup> and the various elements are brought together and presented under four main headings:

- Support for business and technical advisory services
- Support for innovation
- Support for National and Regional Investment
- Support for exports

*Support for Business* no longer uses the many titles and acronyms under which individual schemes were previously known. Instead, each type of assistance has been ascribed to the four main headings as appropriate. This Report is mainly concerned with assistance provided within the third of the above headings, which includes some assistance for investment which is particularly associated with innovation. The new presentational format is reflected in references to measures of support in this Report, but where appropriate the previous scheme title is shown for ease of comparison.

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

### Regional Support

5. Assistance to regional industrial development continued to be given under a variety of measures, the main expenditure once again being on Regional Development Grants. In common with past practice, unemployment statistics for each Assisted Area are produced at Appendix 3.

#### Regional Development Grants

6. Regional Development Grants continued to provide the largest element of support to industry in the Assisted

Areas. During the year, 27,165 applications involving £2,427 million of capital expenditure were received, in respect of Development and Special Development Areas in Great Britain under the old Scheme. Grant payments under the Scheme totalled £143.8 million in respect of England, £95.6 million in respect of Scotland and £80.3 million in respect of Wales. Under the new Scheme, 4,818 applications for project approval were received involving £889.8 million of capital expenditure. Offers totalling £158.1 million were made in respect of Great Britain, whilst payments totalled £22.6 million in respect of England, £11.9 million in respect of Scotland and £4.1 million in respect of Wales. Further details are at Appendix 4.

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

7. The purpose of providing Regional Selective Assistance (RSA) 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: new projects and expansions which create additional employment, and projects for modernisation or rationalisation which maintain or safeguard existing employment. The guidelines for RSA are set out in Appendix 5.

#### Training Grants

8. This measure of support, introduced on 1 April 1980, continues to be available to manufacturing and service industry projects located in the Assisted Areas. Assistance takes the form of a grant of up to 40 per cent of eligible training costs. This attracts a matching contribution from the European Social Fund (ESF). The measure forms part of the regional aid package and projects must therefore satisfy the normal criteria for Section 7 assistance. During the year, offers totalling £12.4 million were accepted; £6.2 million of this assistance representing the total value of matching contributions from the ESF. Offers in this year are lower than previous years because of the change in ESF rules for 1986.

#### Guarantees

9. At 31 March 1986, there were two outstanding Section 7 guarantees totalling £8.6 million.

#### Summary of Selective Assistance Offers

10. During the year, offers<sup>2</sup> of grant assistance under Section 7 that were accepted by industry totalled £213.8 million, divided as follows:

England	£ million	Wales
107.7	Scotland	47.9
	58.2	

Further details are at Appendix 6.

<sup>1</sup> Available from the Department of Trade and Industry Enquiry Bureau, 1 Victoria Street, London SW1H 0ET

<sup>2</sup> Where it appears in this Report, 'offers' is defined as 'offers made and accepted at 31 March 1986' unless otherwise stated.

## European Regional Development Fund

11. The Government is able to claim against the European Regional Development Fund in respect of certain projects which have received Regional Selective Assistance and/or Regional Development Grant. During the year receipts from the Fund, attributable to regional assistance, totalled £38.6 million for Great Britain, of which £17.6 million was in respect of Regional Selective Assistance and £21.0 million in respect of Regional Development Grant.

## European Regional Development Fund: Specific Measures

12. The European Regional Development Fund (ERDF), the Department of Trade and Industry, and the Scottish and Welsh Offices are jointly offering £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, and textile and clothing industries to help new businesses start up and existing small firms grow. The ERDF contribution is £43.0 million.

In England and Wales there are packages of schemes for small firms called Business Improvement Services, while in Scotland there are Better Business Services, and Better Technical Services. All manufacturing activities qualify for grant except the steel, shipbuilding, and textile and clothing industries (unless diversifying into new activities). Some of the service sector is also eligible, but certain activities like retailing and personal services do not qualify. The schemes were launched on 26 November 1984, and will run until 31 March 1989, or until funds are exhausted if earlier.

On 24 March 1986, the Department of Trade and Industry extended the Business Improvement Services to the declining fisheries areas of Hull, Grimsby and Blackpool Travel-to-Work Areas. The schemes are being funded initially with a contribution of £2.5 million from the Department. Subject to European Commission approval of a special programme for the eligible areas, the ERDF will contribute in due course a further £5 million. The schemes in fisheries areas will run until 25 February 1991, or until funds are exhausted if earlier. Tourism is an eligible activity in fisheries areas, but not in steel, shipbuilding, and textile and clothing areas.

The Departments' contributions to the schemes are made under a number of statutory powers, including Sections 7, 8 and 11 of the Industrial Development Act 1982 and Section 5 of the Science and Technology Act 1965. Similar schemes operate in Northern Ireland under separate statutory powers. Further details, including a list of eligible areas and uptake to 31 March 1986 are at Appendix 7.

## Regional Loans from the European Community

### *Exchange Risk Guarantee Scheme*

13. This Scheme, operated under Sections 7 and 8, encourages private industry in the UK 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 the exchange risk in return for an annual premium on the outstanding value of the loan. The Scheme applies to loans for manufacturing industry, certain service sectors and tourism projects. Following a review of the Scheme, the Government announced the following arrangements with effect from 18 July 1985:

- (a) Exchange Risk Cover would no longer be available on loans provided by the European Investment Bank (EIB);

- (b) Exchange Risk Cover for loans from the ECSC would be limited to a maximum of £500,000 for each supported project; and
- (c) The sterling interest rate for ECSC finance enjoying cover would be increased from 3 per cent below the broadly commercial rate (as used under the Industrial Development Act 1982) to 2 per cent below the broadly commercial rate, subject to charging a minimum premium of 1 per cent.

Future liabilities under these arrangements cannot be quantified. At 31 March 1986 £623 million of loans attracting Exchange Risk Cover had been made and cumulated losses on these amounted to £41.5 million. Further details are at Appendix 8.

### *European Investment Bank*

14. During the year, Exchange Risk Cover was provided on loans from the EIB worth £55.2 million. These loans were almost exclusively for small and medium-sized firms and it is estimated that they assisted in the creation or safeguarding of about 3,000 jobs.

### *European Coal and Steel Community*

15. During the year, £85 million of ECSC loans were disbursed. Approximately 90 per cent of this lending went to small firms. It is estimated that some 7,400 jobs were created.

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

### *Improvement in Basic Services*

16. During the year, 174 applications were received for grant towards improvement of basic services in the Assisted Areas. At 31 March 1986, grants totalling £8.5 million had been approved towards 204 schemes costing £80.8 million. Further details are at Appendix 9.

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

17. The Secretary of State has not exercised his powers under Section 14 of the Industrial Development Act 1982, because industrial and commercial development is undertaken on his behalf in England by the English Industrial Estates Corporation (EIEC), under the English Industrial Estates Corporation Act 1981. EIEC's functions are extended under the Industrial Development Act 1985 which changed the Corporation's accounting procedures and allowed them to provide business support and advisory services to their tenants and prospective tenants. The Act came into effect in mid-August 1985.

The 1985 Industrial Development Act changed EIEC's funding to a net basis and with effect from 1 April 1986 introduced some additional functions. The Act also dispensed with the need for the Secretary of State to publish his own account of EIEC's activities; in future the EIEC's own audited accounts will be laid before Parliament.

During 1985-86 the Secretary of State provided EIEC with £31.7 million in grant-in-aid to undertake its development programme in the Assisted Areas of England. Over the same period EIEC received and remitted to the Secretary of State £9.0 million in rents net of administrative costs and



£10.7 million from capital receipts (mainly sale of factories). EIEC continues to concentrate on providing premises for small and high technology businesses. During the year ended 31 March 1986, high technology developments in Liverpool, Plymouth, Bradford, Middlesbrough and at Durham University were completed and have let well.

In England EIEC completed 850 factories and extensions comprising 164,000 square metres of floorspace. At 31 March 1986 a further 72,600 square metres were under construction. 1,671 units were occupied by tenants or purchasers, giving another record year for lettings by EIEC. During the year EIEC sold 49 factories at a value of £11.0 million. Further details are at Appendix 10.

#### **Assistance under Section 1 of the Derelict Land Act 1982 and Section 8 of the Local Employment Act 1972.**

##### *Derelict Land*

18. During the year, there were 828 applications for grants towards the acquisition, or clearance, of derelict land in England. At 31 March 1986, assistance totalling £51.8 million had been approved for 569 schemes involving 2,446 hectares. Further details are at Appendix 11.

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

19. A range of national investment support continued to be given under a variety of Section 8 assistance measures. One measure of assistance, Support for Implementing Quality Assurance Schemes, was extended and an extension of the Small Firms Loan Guarantee Scheme was also announced. Details of those measures which remained open for applications during the year are set out at paragraphs 22 to 29 below. Information on closed schemes and individual applications is given at paragraphs 30–38.

20. The measures detailed at paragraphs 24 to 26 assist investment associated with innovation and complement the measures of support for innovation under the Science and Technology Act 1965 which provide assistance for approved research and development projects. Expenditure under the Science and Technology Act is covered in a separate report.<sup>1</sup> The full range of industrial support offered by the Department of Trade and Industry is summarised in 'Support for Business'.<sup>2</sup>

21. A statistical summary of Section 8 assistance measures is at Appendix 12, which includes sectoral schemes described in paragraphs 28 to 42 of the 1980–81 Report, the Energy Conservation Scheme, and other schemes which are no longer open for applications. All sectoral scheme applications have been processed and at 31 March 1986, there were outstanding commitments totalling £29,000 under the Redmeat Slaughterhouse Scheme.

#### **Measures open for Applications**

##### *General Investment Support for Major Projects*

22. This measure of support provides assistance for major projects in the manufacturing and service industries. To qualify, projects must be viable and offer the prospect of exceptional national benefit. This can include, for instance, a significant degree of innovation and wider benefits for UK

users or suppliers, and to performance generally. Assistance is only given to projects which would not otherwise go ahead as proposed and the minimum necessary to achieve this is negotiated. At 31 March 1986, assistance totalling £62.7 million had been offered towards 174 projects involving investment of £626 million, total payments had risen by £8.9 million to £35.2 million and 10 projects were under consideration. Further details are at Appendix 13.

##### *Small Firms Loan Guarantee Scheme<sup>3</sup>*

23. Throughout the year this support measure, which is now the responsibility of the Secretary of State for Employment (see paragraphs 42 and 43), continued in the same form as previously with guarantees covering 70 per cent of bank loans up to £75,000, repayable over two to seven years. A premium of 5 per cent per annum was payable quarterly on the reducing balance of the guaranteed portion of the loan by the small business applicants. At 31 March 1986, a cumulative total of 16,642 guarantees had been issued in respect of £541.2 million of bank lending since the Scheme started in June 1981. At Appendix 14 there are two tables, one showing the guarantees issued since that date and another showing those issued since the guaranteed level altered from 80 per cent to 70 per cent on 1 June 1984.

It was announced in the Budget in March that the support is to be extended for a further three years from 1 April 1986 with a reduction in the premium from 5 per cent to 2½ per cent per annum.

##### *Support for Advanced Manufacturing Technology (AMT) Project Planning and Implementation<sup>4</sup>*

24. In August 1984, when the European Commission approved the second tranche of funds to bring the total funds allocated to £55 million, all the AMT Programmes were brought together and the criteria for support revised to provide greater selectivity with the aim of securing a good range of demonstration projects throughout manufacturing industry.

Grants are available for consultancy studies which extend the application of AMT into areas of batch manufacture. The closing date for other applications was the end of June 1986. For robot installations, only applications which integrated robots with other elements of AMT were in the main considered. Particular consideration was given to applications from small and medium-sized firms, and limited funds were available for projects in small independent companies which had not already used industrial robots.

At 31 March 1986, assistance totalling £45.7 million had been offered for 287 projects costing £203.5 million. Payments totalling £20.2 million had been made. A further 29 projects were under consideration. Further details are at Appendix 15. Additional assistance is available, under the Science and Technology Act 1965, for AMT (including robots) feasibility studies and the development of enabling technologies and new products for manufacturing industry.

##### *Investment Support for Microelectronics<sup>5</sup>*

25. This programme of support was announced by the Secretary of State on 19 March 1984 to follow the

<sup>1</sup> Available from the Department of Trade and Industry, Ashdown House Library, 123 Victoria Street, London SW1E 6RB

<sup>2</sup> See paragraph 4

<sup>3</sup> Formerly Small Firms Loan Guarantee Arrangements.

<sup>4</sup> Formerly the Flexible Manufacturing Systems Scheme, incorporating the Robot Support Programme.

<sup>5</sup> Formerly Microelectronics Industry Support Programme 2 (MISP2)

Microelectronics Industry Support Programme 1 (see paragraph 32). The programme seeks to ensure that the electronic equipment industry has access to internationally competitive microelectronic devices and that the UK has a sound basis for maintaining that capability. The funding for the programme was announced as £120 million up to 1990, with support at a maximum rate of 25 per cent of eligible costs. The maximum rate for investment projects is 20 per cent.

The programme is intended to encourage:

- (a) development of both products and processes;
- (b) investment in plant and buildings;
- (c) design and manufacture of production equipment;
- (d) improvements in infrastructure;
- (e) in-house integrated circuit computer aided design skills.

Assistance is provided on a selective basis, and in assessing applications account is taken of the viability of both the project and the firm as a whole, the need for assistance and the contribution the project will make to improving the efficiency and competitiveness of the industry.

At 31 March 1986, assistance totalling £26.3 million had been offered for 63 projects costing £177 million and 16 projects were under consideration. Further details are at Appendix 16.

#### *Investment Support for Fibre Optics and Opto-Electronics<sup>1</sup>*

26. This measure of support provides assistance towards the design and development of optical fibres, opto-electronics, optical sensors, instruments and production processes. Assistance may be given under both the Science and Technology Act 1965 and the Industrial Development Act 1982. At 31 March 1986, assistance totalling £38.0 million had been offered; £5.2 million under the Industrial Development Act 1982, with payments under this Act totalling £2.6 million. Offers under the Science and Technology Act 1965 amounted to £32.8 million and of this, £21.1 million had been paid. Further details are at Appendix 17.

#### *Support for Implementing Quality Assurances Schemes<sup>2</sup>*

27. This measure of support is designed to help small firms to implement consultants' recommendations aimed at improving their quality assurance procedures to the level required for third party assessment based on British Standard 5750. The measure is complementary to the Business and Technical Advisory Services on Quality (BTAS/Q), which was formerly called Quality Assurance Advisory Service (QAAS), under which expert advice is offered to small and medium-sized companies against a small contribution from them towards the relevant costs. The measure was launched on 20 June 1983, as part of the contribution to the National Quality Campaign and was due to terminate on 30 June 1986. Take-up under the measure was initially low and in view of the underspend on grants, and as the number of firms assisted was far short of the target originally anticipated to be assisted, the measure was reviewed in the latter part of 1985 and was extended for a further two years until June 1988 with a further funding allocation of £2 million.

At 31 March 1986, assistance totalling £2.0 million had been offered for 169 projects costing £8.1 million and a further 127 applications were under consideration. Further details are at Appendix 18.

#### *Assistance for the Development of Certification Schemes*

28. 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.<sup>3</sup> The measure was introduced in April 1983 with an allocation of £0.5 million per annum. Up to 50 per cent grant is available and the aim is to help with launching costs of new certification systems or extensions of established systems. To encourage development of such systems a video presentation—*Getting Certified*—was introduced in February 1985 and is available from the Department's Standards and Quality Policy Unit on a free loan basis.

New certification *bodies* which were established during the year with support from this measure include the Ceramic Industries Certification Scheme Ltd and Loss Prevention Certification Board Ltd. New certification *schemes* launched during the year with financial assistance from the Department covered areas such as air conditioning equipment, fire extinguishers, screwed pipe fittings, constructional steelworks, textile floor coverings and welded steel tubes. At 31 March 1986, payments of grant totalling some £0.5 million had been made. Further details are at Appendix 19.

#### *Coal Firing Scheme*

29. This Scheme, originally known as the Coal Fired Boiler Scheme, opened for applications on 22 May 1981. Coverage was extended in March 1982 to the service sector and to include all industrial equipment which is oil and/or gas fired. Under the Scheme capital grants of up to 25 per cent of the costs of converting or replacing such equipment with coal fired equipment may be provided. The aims of the Scheme are to help the coal industry compete in industrial and commercial markets; and to reduce industrial energy costs and the UK's longer term dependence on oil and gas.

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 (3i's), for approved projects involving conversion to coal firing equipment. The ERGS was discontinued as from 31 December 1985; companies are still able to apply for ECSC loans, which may be in sterling or foreign currencies.

The administration of the Coal Firing Scheme has been the responsibility of the Secretary of State for Energy since 1 April 1984. The Scheme is presently open until 30 June 1987 for new applications. At 31 March 1986, assistance totalling £47.6 million had been offered for projects costing £258 million. A further 68 projects were still under consideration. Payments to that date totalled £28.5 million. Further details are at Appendix 20.

#### **Measures closed for Applications**

##### *Selective Investment Scheme*

30. Residual payments continued to be made in support of projects assisted under this Scheme, which has been closed for applications for several years. At 31 March 1986, payments of assistance totalled £97.4 million. Further details are at Appendix 21.

<sup>1</sup>Formerly Fibre Optics and Opto-Electronics Scheme

<sup>2</sup>Formerly the Quality Assurance Support Scheme

<sup>3</sup>Cmnd No 8621.

### *Innovation Linked Investment Scheme*

31. This Scheme was opened for applications on 1 June 1983 and its closure was announced in Parliament on 22 May 1984. The aim of the Scheme was to assist small and medium-sized enterprises (employing up to 500 people) launch into production new or significantly improved products or processes. Assistance was available on a selective basis, offering support of up to 20 per cent of eligible investment costs for viable projects representing significant innovation. Projects costing more than £2 million were not eligible for assistance. Support of up to 33½ per cent, with a maximum grant of £50,000, was also available towards market appraisal studies. At 31 March 1986, assistance totalling £2.0 million had been offered for 61 projects costing £11.0 million, and payments totalled £1.1 million. Further details are at Appendix 22.

### *Microelectronics Industry Support Programme 1 (MISP 1)*

32. This Scheme was designed to support the UK microelectronics industry, including the design and manufacture of silicon integrated circuits and the infrastructure companies which supply equipment, materials and services. Support was also provided for the development of other microelectronic and associated semiconductor devices. Assistance was provided under the Industrial Development Act 1982 and the Science and Technology Act 1965. At 31 March 1986, assistance totalling £63.5 million had been offered, £59.0 million under the Industrial Development Act 1982, with payments under this Act totalling £52.5 million. Offers under the Science and Technology Act 1965 amounted to £4.5 million and of this £4.2 million had been paid. These offers, under both Acts, exhausted the funds available under the Scheme. Further details are at Appendix 23.

### *Computer Aided Design and Test Equipment Support (CADTES)*

33. This Scheme was introduced on 1 August 1982 to encourage capital investment in computer aided design, manufacture, and test equipment, so as to increase the efficiency and competitiveness of firms in the mechanical, electrical and electronic sectors of industry. The Scheme had a total allocation of £24 million and was closed for applications on 12 March 1984. At 31 March 1986, assistance totalling £26 million had been offered for 1,080 projects costing £101.8 million. All claims had been cleared, with payments totalling £21.8 million. Further details are at Appendix 24.

### *Small Engineering Firms Investment Scheme 1 (SEFIS 1)*

34. This Scheme was designed to assist small firms in the UK engineering industry by stimulating or accelerating new investment in specific types of advanced capital equipment. Assistance was available selectively for the acquisition of up to two items of capital equipment and directly associated commissioning, installation, tooling and accessory costs. The Scheme was introduced on 30 March 1982 and closed for applications on 28 May 1982. The final date for receipt of claims was 30 September 1985. At 31 March 1986, assistance totalling £32.1 million had been offered for 1,446 projects costing £96.4 million. All claims had been cleared, with payments totalling £26.0 million. Further details are at Appendix 25.

### *Small Engineering Firms Investment Scheme 2 (SEFIS 2)*

35. This Scheme, like SEFIS 1, was designed to assist

small firms in the UK engineering industry by stimulating or accelerating new investment in specific types of advanced capital equipment. Assistance was available selectively for the acquisition of up to two items of capital equipment and up to 5 per cent of directly associated tooling and accessory costs. The Scheme was introduced on 28 March 1983 and closed for applications on 30 September 1983. The final date for receipt of claims was 31 December 1985. At 31 March 1986, assistance totalling £72.9 million had been offered for 4,891 projects costing £232.3 million. All claims had been cleared, with payments totalling £48.2 million. Further details are at Appendix 26.

### *Private Sector Steel Scheme*

36. This Scheme was introduced on 14 December 1981 in order to promote the survival of a healthy and efficient private steel sector by helping those companies engaged in the manufacture of primary steel products covered by the European Coal and Steel Community Treaty, and of cold finished steel products, to undertake the rationalisation and restructuring of their operations. The Scheme was closed to further applications on 7 March 1984. Assistance was available in three separate categories: assistance towards statutory and ex gratia redundancy payments to employees dismissed as part of a reduction in capacity or restructuring programme (Category A); assistance towards the other costs of closure or restructuring projects, including capital investment to strengthen companies' remaining business (Category B); and assistance towards self-help levy schemes, organised by the industry, financing closures by means of a levy on those undertakings remaining in business (Category C). No further payments will be made under the Scheme. Further details are at Appendix 27.

### *Offshore Supplies Interest Relief Grant Scheme*

37. During the year 1985-86 grants totalling £9.1 million were paid, bringing total payments at 31 March 1986, to £175.9 million.

### **Individual Applications under Section 8**

38. Cases that cannot be assisted under the General Investment Support for Major Projects, and that 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, on a case by case basis. No such *ad hoc* cases were considered in 1985-86. During the year there were developments in one case referred to in previous Annual Reports, namely Sheffield Forgemasters. Payments to that company totalled £7.4 million at 31 March 1986.

### **Special Assistance to Shipbuilding and Associated Industries**

39. The main support for shipbuilding and associated industries continued to be given under the Intervention Fund and Home Credit Scheme. In addition, one guarantee in the form of an indemnity remained outstanding at 31 March 1986 in respect of the receivership of John Hastie & Co Ltd. The indemnity was agreed in December 1976; no claims had arisen at 31 March 1986.

## **Assistance under Part III of the Industrial Development Act 1982**

### *Shipbuilding Intervention Fund*

40. On 5 July 1985, it was announced that a seventh tranche had been agreed with the European Commission (EC) which would apply to orders taken between 1 July 1984 and 31 December 1986. The agreement permits an agreed rate of assistance of up to 20.5 per cent Intervention Fund plus two per cent Shipbuilders Relief. The EC has also indicated that it will be prepared to consider payments above these levels on a case by case basis for orders where there is no EC competition. During the year, grants of £31.9 million were offered to secure orders for 29 ships totalling 128,791 gross tonnes (gt—which complies with the new international convention for measuring capacity). The total of grants offered from the inception of the Fund in February 1977 to 31 March 1985 amounted to £283.8 million covering orders for 215 ships with an aggregate tonnage of 2.0 million gross registered tonnes (grt—which complies with the previous international convention for measuring capacity and should not strictly be aggregated with the new measure). Payments of £25.9 million were made during 1985–86 bringing total expenditure since the Fund was announced to £284.6 million.

## **Assistance under Part III of the Industry Act 1972**

### *The Home Credit Scheme*

41. Payments under two guarantees were made during the year ended 31 March 1986, where the net proceeds of sale of the vessels concerned fell short of the balance of the guaranteed loan outstanding. The total paid was £31,000. 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 1985–86. During the year, nine loans were repaid early under this scheme attracting discount totalling £17.7 million. At 31 March 1986, the total amount of principal guaranteed was £920 million. Further details are at Appendix 28.

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

42. On 3 September 1985, responsibility for small firms transferred from the Secretary of State for Trade and Industry to the Secretary of State for Employment. The activities described in paragraphs 23 and 44 to 50 were therefore exercised by the Department of Trade and Industry prior to that date and the Department of Employment after it.

43. The powers in the Industrial Development Act 1982 have been used to support the following activities which are specifically aimed at the small firms sector. Other activities described in this Report also benefit the sector but they have been undertaken with other policy objectives in mind. With the exception of the Small Firms Loan Guarantee Scheme (see paragraph 23), for which Section 8 of the Act provides legislative authority, the small firms activities have been undertaken under the provisions of Section 11 of the Act. This provides that 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. It has been interpreted widely, and has been used as the legislative basis for providing the counselling arm of the Small Firms Service as well as financial assistance to Local Enterprise Agencies, business clubs, and projects

designed to improve the support facilities available to small firms. The powers in Section 11 have, however, only been exercised in England. Similar services in Scotland and Wales have been provided through the Scottish and Welsh Development Agencies respectively, but these are financed by their respective Acts.

### **Small Firms Service Counselling Activities**

44. Previous Reports explain the background to this facility. During the year, the number of new clients coming forward for counselling was 25,349 compared with 23,397 in 1984–85. The total number of counselling sessions for new and existing clients increased from 34,680 in 1984–85 to 35,342.

45. Each client's first three counselling sessions were free of charge; if further counselling was required each additional session was charged at £30 (including VAT). Revenue from counselling charges was £36,100 (excluding VAT) compared with £34,782 in 1984–85.

46. Small Firms Service counsellors are engaged on a yearly contract basis and at 31 March 1986, 300 counsellors were under contract to the Department of Employment compared with 250 at 31 March 1985. They were paid a fee of £30 per day for their services plus travelling expenses. The counselling advisers who co-ordinate each regional team were paid a daily fee of £55 (in six regions there are co-ordinators who draw together the advisory work in sub-regions and they were paid £43 per day). The overall net cost of the Small Firms Service for the year was £5.1 million, of which the direct costs of counselling amounted to £3.4 million.

### **Assistance to Local Enterprise Agencies and Small Business Clubs**

47. Grants were again provided to Local Enterprise Agencies, Small Business Clubs and similar organisations providing advice to persons carrying on or proposing to carry on a small business. Details of the organisations funded during the year are at Appendix 29.

48. Financial support was again given to Business in the Community to assist with the costs of Local Enterprise Agency personnel attending courses at Durham University Business School, and with the costs of publicity and promotional literature. Payments during the year totalled £77,000. In addition, £200 was paid to the Medway Enterprise Agency towards a pilot project designed to involve business students in Local Enterprise Agency activities.

### **Management Education and Training**

49. During the year, grants of £35,000 were made to Durham University Business School for its New Enterprise Development Project and of £7,500 to Warwick University for its Small Business Centre. They were both instalments of ongoing commitments to initiatives which undertake experimental work in the small firms field with the results being available for possible replication elsewhere. A grant of £5,000 to Glasgow University was made in connection with the annual Small Business Teachers Programme which is concerned with training small business trainers. A grant of £5,000 to the Council for Educational Technology was to enable it to produce relevant display and support material for a series of workshops in 1986–87. These will introduce small businessmen and advisory agencies to its Business

Analyst kit which will assist small firms owner/managers in identifying their training needs.

50. In addition a further £14,700 was spent on the production and marketing of a 20 minute film/video *The Road to Success*. Launched in May 1985, the film/video aimed to demonstrate to existing small firm owner/managers the importance of training in finance, marketing and business planning skills.

## Other Matters and Developments in 1985-86

### Inward Investment

51. In addition to the Invest in Britain Bureau's ongoing promotional activities in the year to 31 March 1986, it worked in close collaboration with the UK's major public sector inward investment bodies and private sector participants to mount a major inward investment campaign, *Britain Means Business*. The campaign was aimed at the key markets of USA and Japan and was the first fully co-ordinated effort, involving both the public and private sectors, to promote a united UK image overseas employing a wide-range of activities. Therefore, in the year to 31 March 1986, the Invest in Britain Bureau's promotional programme was fuller than in previous years and included 39 separate events (five inward missions and 34 seminars/presentations). Between 25 and 30 events are planned for 1986-87.

52. It is not possible to provide a comprehensive figure for the amount of foreign investment made in Britain in 1985-86, 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. In its Annual Report for the calendar year 1985<sup>1</sup>, however, the Invest in Britain Bureau recorded a total of 305 decisions to invest or expand investment in the UK, creating in the long term 21,047 new jobs and safeguarding 19,512 others.

53. Another useful indicator of the level of inward investment is the amount of assistance offered under the Industrial Development Act 1982 to foreign-owned companies. In the year to 31 March 1986, offers<sup>2</sup> of £107 million were made to such companies under Section 7 for 124 projects estimated to cost £1,369 million. These projects are expected to create 12,827 jobs and safeguard 8,730 others. Of the projects assisted, 60 per cent involved American-owned companies and these accounted for 70 per cent of offers, by value, to foreign-owned companies. Overall, overseas-based companies accounted for some 59 per cent of total project costs under this Section and 52 per cent of the value of offers made. In 1985-86 a total of 13 projects were offered assistance under Section 8 Support for Major Projects. Of the projects assisted three were foreign-owned and these received offers of assistance totalling nearly £3.8 million, representing 58 per cent of offers made.

### Publication of Assistance Offered

54. Details of offers of Regional Selective Assistance, against which first payment was made during the year to 31 March 1986, were published in *British business* on 30 August and 29 November 1985, and 28 February and 6 June 1986. In accordance with previous arrangements publication is limited to offers of grants of £5,000 or more.

Similarly, details of offers of Section 8 assistance of £5,000 or more were published in *British business* on 2 August and 22 November 1985, and 18 April and 20 June 1986. Details of individual payments of Regional Development Grants in excess of £25,000 made during the year were published in *British business* on 16 August 1985, and 17 January, 11 April and 20 June 1986.

### Industrial Development Advisory Boards and Industrial Development Boards

55. 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. One member, Mr. T. W. Allen retired from the Board.

56. The statutory Scottish and Welsh Industrial Development Advisory Boards and 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 Chairman and Board members are at Appendix 30. Commentaries by each of the Boards on their work follow.

## Commentaries by the Industrial Development Advisory Boards and Industrial Development Boards

### Industrial Development Advisory Board

The Board has continued to advise the Secretary of State on the provision of selective financial assistance under Sections 7 and 8 of the Act. Sixteen meetings were held to consider 49 applications for assistance.

### Applications

The Board considered fourteen applications under *Section 7*, which provides for assistance for projects in Assisted Areas, that create or safeguard employment. Of these, the Board found that thirteen applications met the relevant criteria and recommended the assistance proposed. The Board drew one application to Ministers' particular attention when the judgement on the necessity for grant to secure the project was finely balanced.

Eight applications were considered for Support for Major Projects. All were considered to meet the relevant criteria.

The Board recommended assistance on three applications for investment support for *Advanced Manufacturing Technology*. Four applications were recommended under the *Coal Firing Scheme* which has the objective of reducing industry's dependence on oil and gas based energy sources.

Seven applications for *Investment Support for Microelectronics* were considered. The Board decided that all the applications met the relevant criteria.

At Ministers' request, the Board also advised on major *Support for Innovation* applications for assistance under the Science and Technology Act 1965. Thirteen applications were considered and the Board found that all the applications met the relevant criteria.

<sup>1</sup> Available from the Department of Trade and Industry, Invest in Britain Bureau, Bridge Place, 88-89 Eccleston Square, London SW1V 1PT

<sup>2</sup> This is the total of offers made, not the total of offers accepted.

The Board met the Secretary of State for Trade and Industry on 20 March 1986. He emphasised the importance he attached to creating and safeguarding employment in the Assisted Areas; to small rapidly growing companies; to enterprising management; to innovatory projects with a high technical risk but good commercial prospects if technically successful; and to projects having wider benefits for the economy beyond the immediate returns of the company's investment.

The number of applications considered by the Board was much smaller than last year. From the quality of the cases it has seen, however, the Board remains of the view that selective financial assistance has a positive role to play in encouraging innovation and investment.

SIR RONALD HALSTEAD, CBE  
*Chairman*

### **Scottish Industrial Development Advisory Board**

Over the past year Scotland has shared in the continued growth of the UK economy, with Scotland's performance in terms of output, and manufacturing productivity being relatively better than that of the UK as a whole.

Unemployment, however, has remained stubbornly high. In the year to 31 March 1986, seasonally adjusted unemployment (excluding school leavers) rose by 11,000, and at 15.0 per cent the difference in unemployment rates between Scotland and the UK has widened slightly from 1.7 percentage points in March 1985 to 1.8 percentage points in March 1986. Similarly Scotland will not have escaped the widely predicted downturn in investment, expected to run from the end of 1985 through much of 1986. A recent CBI Industrial Trends Survey suggests that this downturn is likely to be more pronounced in Scotland than elsewhere in the UK.

Compared with the previous year, 1985 is likely to have seen an increase in the profits of industrial and commercial companies, particularly those not directly involved in North Sea activity, and it is disappointing that many companies should be holding back on capital investment at a time when, for many of them, profit margins and returns on capital are healthier than for some time. This, it would seem, is partly due to the acceleration of investment in the first three months of 1985 before the reduction in the first year capital allowances and to take advantage of the transitional arrangements for Regional Assistance. With the economy now expected to grow more slowly, many companies, according to recent Scottish CBI surveys, appear uncertain about future levels of demand.

Medium term fixed interest loans available from the European Investment Bank (EIB) and the European Coal and Steel Community (ECSC) continued to attract interest although, as a result of the Government's review of the Exchange Risk Guarantee Scheme during the year, Exchange Risk Cover (ERC) on ECSC loans was limited to £500,000 for each project and was withdrawn from loans provided by the European Investment Bank. Exchange Risk Guarantee was offered (previous year's figures given in brackets) on 8(8) EIB loans with a value of £23.2 million (£21 million) and on 54(73) ECSC loans with a value of £11.6 million (£18.9 million).

Scotland has, nevertheless, continued to attract major inward investment projects, notably Digital Equipment's proposed new plant at South Queensferry to produce a new generation of advanced integrated circuits, and the setting up by Damon Biotech, a US biotechnology firm, of a plant in Livingston to produce monoclonal antibodies for specialised use in the treatment of cancer and other related diseases. This first plant of its kind in Scotland is particularly encouraging for the attraction of similar projects in the future.

There have been some signs of new investment in a number of traditional indigenous industries, and during 1985-86 the Board considered applications for financial assistance relating to a number of substantial investment projects in food processing, textiles and clothing, and timber processing. Some of these projects will bring much needed jobs and new investment to areas of Scotland with higher than average unemployment. Pringle, for instance, a subsidiary of Dawson International, intend to set up a new production facility providing up to 570 new jobs at Arbroath. Other projects will safeguard jobs and much needed investment will improve companies' underlying competitive positions, and provide the foundation for further development and growth in the future. In the financial year 1985-86, applications for Regional Selective Assistance (RSA) worth £85.4 million in grant were received for 153 projects. This represented a marked reduction on 1984-85 when applications were received for 281 projects and £172.3 million grant.

A total of 131 (232) offers of RSA were accepted in 1985-86 (previous year's figures given in brackets) with a value of £58.2 million (£60.5 million). Although the total value of grant offered was similar in each year, associated project costs in 1985-86 at £773.0 million (£930.0 million) were much lower. These offers were expected to create 9,418 (11,867) new jobs and to safeguard an additional 6,477 (6,867) existing jobs.

Regional Selective Assistance continued to play an important part in encouraging investment by overseas companies in Scotland. Despite a decrease in the number of offers accepted by overseas-owned companies from 51 in 1984-85 to 31 in 1985-86, the value of offers accepted remained broadly the same at £35.9 million (£35.6 million) as did associated project costs at £551.9 million (£554.8 million). Associated jobs, both new and safeguarded, were lower at 6,096 (7,796).

The Better Business Services (BBS) Scheme continues to be an important source of assistance to small and medium sized businesses in Strathclyde and the Assisted Areas of Tayside. The Scheme, which is outwith the Board's main function of advising the Secretary of State, is funded from the European Regional Development Fund Special Measures and is aimed at helping small and medium sized companies improve their management, marketing and financial skills. In the last year the scheme has attracted some 6,500 applications and has paid out over £1.5 million in grants.

Better Technical Services (BTS), which was introduced last year to enhance and complement BBS has proved particularly useful in helping those small firms affected by the closure of traditional industries. Grants can be paid to help with design and development feasibility and implementation, to help in the complex area of patent and licensing, computer application and the development of comprehensive marketing programmes. Already the scheme has had over 1,000 applications and over £500,000 has been paid in grants.

After the changes in Regional Policy were announced in November, 1984 the Department initiated and organised a number of seminars throughout the Assisted Areas for businessmen and their advisers, both to explain the changes, particularly in Regional Development Grants, and to promote the wide range of assistance to industry.

The need remains to ensure that all companies which satisfy the qualifying conditions, know, understand and use the full range of assistance open to them.

ROBERT C. SMITH  
*Chairman*

### Welsh Industrial Development Advisory Board

The year began with general optimism about the prospects for a continuing, if modest, recovery in the levels of industrial activity and output in Wales. It ended with industrialists still generally optimistic about prospects for 1986, based upon a coincidence of lower base lending rates, and the prospect of a further fall, significant lower oil and related energy prices, the fall of Sterling against non-Dollar competitor currencies and a recovery in company profits.

The performance of the manufacturing sector generally proved to be disappointing. From a peak in the final quarter of 1984, the Index of Industrial Production for Wales showed a fall in manufacturing output in each of the first three quarters of 1985 before picking up slightly in the final quarter of the year. Most notably, output was reduced in the metal goods and the electrical and instrument engineering industries, but increased in mechanical engineering, paper/printing/publishing, textiles/leather/footwear/clothing and timber/wooden furniture. During the year there was a further loss of manufacturing capacity and jobs as a result of plant closures. In addition, manufacturing companies continued to shed labour, particularly indirect jobs, as part of cost-cutting measures aimed at improving competitiveness. Compared with March 1985, seasonally adjusted unemployment in Wales in March 1986 was 0.5 per cent higher at 16.6 per cent. However, the encouraging rise in the number of unfilled vacancies, which the Board noted last year, was maintained during 1985-86.

In mid-1985, the manufacturing labour force numbered about 204,000 which represents less than a quarter of the total number of people in employment in Wales (in 1975 the figure was 314,000 or just under one third). Whilst recognising the importance of the expanding service sector the Board considers it vital that Wales achieves a balanced industrial base which offers fresh employment opportunities. Events over the past year have underlined the Board's view that the prospects for stimulating new growth among the older industries are limited and that increased attention must be given to stimulating development amongst indigenous companies operating in the new technologies and in attracting new projects in such fields.

The Board was pleased to note that in its third full year of operation, WINvest helped secure 20 new overseas projects—ten from North America and ten from Western Europe. Associated with these projects is a capital investment of £47 million and some 1,600 jobs. Expansions, acquisitions and joint ventures in Wales by overseas companies accounted for a further 28 projects which will intro-

duce nearly £75 million in capital investment and are likely to create over 1,600 jobs and safeguard a further 350 jobs. A significant feature has been the continued commitment of overseas companies to re-invest and expand their existing operations in Wales. Visits by companies new to Wales continued at a high level.

The availability of suitable factory accommodation is an important ingredient in Wales' ability to attract new projects and the Board noted that during the year the Welsh Development Agency allocated some 290 factory units totalling 1.4 million square feet.

During 1985-86, applications for Regional Selective Assistance were received in respect of 159 projects. A total of 145 offers of assistance with a value of £47.9 million were accepted by companies. The employment associated with these projects totals 6,697 new jobs plus 5,986 safeguarded jobs. Two notable developments are the new project planned by Renishaw PLC in the field of advanced manufacturing systems and the compact disc manufacturing project to be undertaken by Nimbus Records Ltd. The new jobs associated with these projects are some 500 and 275 respectively. In addition, exchange risk cover was provided on loans totalling some £10.5 million from the European Coal and Steel Community and the European Investment Bank.

The Board has felt some concern about the decline in applications for Regional Selective Assistance following the introduction in November 1984 of the Government's regional policy changes. However, it recognises that, partly as a result of the transitional provisions to accommodate the changeover to the new schemes, it is still too early to draw any firm conclusions about the pattern of take-up of Regional Selective Assistance and new-style Regional Development Grants (RDGs). During 1985-86, some 594 projects were approved for new-style RDGs with a total value of £30.6 million. A total of 9,742 new jobs are associated with these projects.

In our last report, we welcomed the introduction of the Business Improvement Services package of schemes and the assistance provided to small and medium-sized enterprises in those parts of Wales affected by job losses in the steel industry. The number of applications for grants under the package has met expectations. During 1985-86, a total of 993 applications were received which led to 750 offers of grant totalling £3.5 million. Thus, almost half of the £7.5 million allocated to the scheme for the four year period to December 1988 has already been allotted. The majority (415) of the grant offers have been made to assist firms with the cost of obtaining independent professional advice in areas such as financial control, business plans and marketing. The funds available to assist with the costs of developing new products and processes have been allocated in full and applications for grants to assist with the purchase of fixed assets have exceeded the funds available in all areas. On 1 January 1986 responsibility for the Small Firms Centre was transferred from the Welsh Office to the Welsh Development Agency. The transfer followed a review of the Small Firms Service in Wales, the main recommendation of which was that the two arms of the service—the Counselling Service, administered by the Welsh Development Agency and the Small Firms Centre, administered by the Welsh Office—should be merged to form an integrated Service under one management. The Board welcomes the merger which will allow a more effective service to be provided to clients and will enhance the contribution that the Small Firms Service makes to the development of the small firms sector in the Principality.

During the year, Mr. Howard Morris and Mr. Emrys Evans retired from the Board. Mr. Morris had served on WIDAB for over ten years and had been its Chairman since 1980. Mr. Evans had also served as a member for over ten years. The Board wishes to record its deep appreciation of the dedication and expertise which both brought to this work. The Secretary of State has appointed to membership of the Board Mr. Jim Mochan, Production Director of Hotpoint Ltd, Llandudno Junction and Mr. Ben Morris, Deputy Regional General Manager of Lloyds Bank PLC.

P. J. PHILLIPS, OBE  
*Chairman*

### **North Eastern Industrial Development Board**

#### *Industry in the Region*

The modest upturn in business confidence observed in last year's Report continued during the early part of the year although it became noticeably more hesitant in the later months. It is encouraging that the improvement in both home and export markets now appears to be more widely based across industrial sectors. This helped to offset the effect of the North East's concentration of mature industries facing relatively poor growth prospects. Nevertheless unemployment has again risen, albeit at a slower rate.

The offshore industries in the Region remained buoyant with a number of major orders secured during the year. The rapid decline in oil prices at the end of the year, however, must indicate a more uncertain future in this sector. The chemicals, pharmaceutical and electronics industries in the Region also performed well, along with those firms in the clothing industry which invested in the latest technology.

Within the mechanical and electrical engineering sectors, which include shipbuilding and repairing, fortunes were mixed and 4,000 jobs were lost.

Streamlining of the coal mining industry involving closures and merging of pits has led to over 4,000 redundancies. The industry now provides about the same number of jobs as the growing electronics industry, which represents a considerable shift in the regional industrial structure. The construction industry remains depressed and the relative dependence of the industry on public sector contracts underlines the potential benefits to the Region if there were to be a significant increase in public capital expenditure. Private investment has in the main concentrated on replacement investment to secure improvements in efficiency and has been on a modest scale. Major investment in additional capacity was limited by high real interest rates and by the degree of existing underused capacity.

#### *Unemployment*

High unemployment rates continued to trouble the Region. In March 1986, 215,508 people or 20.1 per cent of the workforce were claiming benefit (compared with the national rate of 13.6 per cent), a rise of 5,000 over the year.

At the local level the picture ranged from areas such as South Tyneside (unemployment rate of 25.9 per cent), Hartlepool (23.7 per cent), Middlesbrough (23.0 per cent), Bishop Auckland (22.6 per cent), Sunderland (22.0 per cent) and Stockton (20.1 per cent) to less badly affected

areas such as Durham (14.5 per cent) and Morpeth (17.8 per cent) where unemployment was below the regional, though still above the national, average. A particularly worrying feature was the rise in long-term unemployment with some 44 per cent of the unemployed having been without a job for over a year. Notably affected were the under 25 year olds.

The employment trends reflect the unemployment figures. In contrast to the national situation, where employment opportunities increased during the year, it is disappointing that the Region experienced an absolute decrease of 6,000 jobs between 1984 and 1985. This explains in part why the unemployment difference between the nation and the Region continues to widen. This position is exemplified by the redundancy rate in the Region which during the year remained at twice the national average. Manufacturing industries continued to bear the brunt of the job losses with almost two thirds of the total. Mechanical and electrical engineering, shipbuilding and shiprepairing fared badly. A small positive sign, however, was that the rate of increase was falling and only in the coal industry did redundancies increase absolutely over those for the previous year.

Nevertheless since 1977 the Region has lost over one-third of its manufacturing jobs and half its construction employment—jobs which were mainly filled by males in full-time work. Conversely, many of the new jobs created have been in the service sector, mainly for females. A large percentage of these were part-time opportunities in the distribution sector. The North East's inability to create new jobs at a sufficient rate to match existing losses is, in part, the price the region is paying for an industrial and occupational structure which is still relatively outdated, where the level of new firm formation remains comparatively low and where the rate of innovation in regional industry is poor compared with other Regions. The contrast with the South-East, particularly in relation to the concentration of purchasing power and decision making there, is becoming an increasing focus of regional comment.

#### *Regional Financial Assistance*

The old style Regional Development Grants (RDG) continued to provide the largest element of Departmental support in the Region. Applications for grant up to the end of the old Scheme in November 1985 were only marginally short of the total for the previous year as firms concentrated on maximising benefits from the old grants while they were available. Actual grant payments at £58.3 million were considerably less. This was mainly attributable to the reintroduction of a four month deferment period in January 1985, the end of the transitional provision arrangements on 28 November 1985 and certain European Community restrictions placed on steel payments in 1986.

There has been an encouraging response to the new RDG Scheme. If all the 1,155 projects which have been offered grant, amounting to £28 million, proceed some 9,500 jobs will be created. Although the manufacturing sector is predominant the limited areas of the service sector which became eligible for the first time under the new Scheme accounted for almost 13 per cent of the value of offers so far made. The Scheme has, as intended, attracted many labour intensive projects. So far, more than 90 per cent of the number of offers made have been to small firms.

Offers of Regional Selective Assistance (RSA) were made for 120 projects compared with 129 in 1984-85. The total assistance was £19.7 million (£14.7 million in 1984-85) and the related capital investment was £187.7 million



(£169.2 million in 1984-85). Overall, the projects provided 4,114 additional jobs and safeguarded 1,714 compared with the 1984-85 figures of 7,136 and 2,020 respectively. New applications for RSA received during the year totalled 132 (152 in 1984-85).

There has been no marked change in the overall number of offers in comparison with last year. It seems that the new job-related RDG Scheme has been sufficient to secure many small projects which in the past would have been the subject of RSA applications. However, the trend in the later part of the period is upward. It is likely that until recently companies were concentrating on replacement investment, which until November 1985 could still attract old RDG, at the expense of strategic programmes.

Regional Assistance has continued to play a major role in attracting overseas companies to the North East Region and in enabling established companies to develop their operations. The coming months will see the start of production in the Nissan car plant, a development which in the past year has not only stimulated car component manufacturers to locate in the Region but has also led to other Japanese companies exploring the benefits of a North East location. The recent decision of the major Japanese contractors plant makers, Komatsu, to establish a European manufacturing facility at Birtley is of particular significance.

During the year, over 540 small firms and support agencies have received offers of assistance worth a total of £2.7 million under the Business Improvement Services package supported by the European Regional Development Fund. This is aimed at generating new economic activity in areas suffering from the decline in the Region's steel and ship-building industries. The consultancy part of the scheme has proved most popular: 360 firms received support for the costs of employing business and marketing consultants (total assistance of £453,000). Some 70 were assisted with market research projects (total grants of £207,000). Forty-two offers (worth £879,000) were made in support of new product feasibility studies.

The scheme has been a notably successful means of assisting new business start-ups with some 23 per cent of applicants falling into this category.

#### *Small Firms*

Responsibility for the Small Firms Service (SFS) was transferred to Department of Employment in September 1985.

The Newcastle Small Firms Centre remained very busy throughout the year, dealing with 16,200 general enquiries and providing formalised business advice at 3,200 sessions; these totals showed an increase of 6 per cent and 14 per cent respectively on the previous 1984-85 period. The Service continued to provide more localised informal counselling/advice at its regular clinic sessions held in 13 local job centres. 2,600 clients used this service during the year.

Manpower Services Commission have advised that 2,847 people were accepted onto the Enterprise Allowance Scheme during the period. Each recipient is entitled to three free counselling sessions from the SFS.

#### *Other Matters*

To combat the severe problems of structural economic change and high unemployment in the inner cities, in April 1985 the Government established the Newcastle & Gateshead City Action Team (CAT) whose task is to co-ordinate the programmes of the Department of Trade and Industry,

the Department of the Environment and Manpower Services Commission to achieve a more coherent and cost-effective approach. Around 2,000 jobs in the CAT area are likely to be created or safeguarded as a result of the Department's work during the year. A similar initiative is now underway in Cleveland County.

The North East is playing its part in 'Industry Year 1986'. The programme has started well with an organisational structure in the Region based upon the Science and Technology Regional Organisations supported by industry and the CBI. A number of events have been planned linking industry with schools and emphasising the importance of industry and commerce to the community and to publicise the vital role of manufacturing industry to our local and national economy.

#### *Mr B. H. Whitfield JP*

Mr. Brian Whitfield retired from the Board in December 1985 after six years service. His valuable contribution throughout this period was gratefully appreciated by the Board.

L. R. MANN, OBE  
*Chairman*

### **Yorkshire and Humberside and East Midlands Industrial Development Board**

Yorkshire and Humberside Region

#### *General*

Industry as a whole in the Region has maintained a pattern of very gradual recovery, reflected in better sales volumes, exports and profits. However, the recovery has not been evenly spread over all sectors of industry and unemployment has not declined.

Turning to individual industrial sectors, the wool textiles industry has come out of recession in good heart and enjoyed a particularly successful year. The industry is now more fashion and design conscious, and new products have been introduced against a background of steadily rising profits and investment. The industry achieved record exports and future prospects are encouraging. In the Region's clothing industry there has also been some good progress.

In steel there were further job losses, notably within BSC at Sheffield, but demand and output generally held steady. The long awaited Government sponsored merger between BSC Special Steels and parts of GKN took place to create a new company, United Engineering Steels, with a workforce and turnover to match most leading European steel companies. Even in this hard pressed area there were modest improvements in profits recorded by some private sector concerns.

Engineering in the Region had a mixed year, with orders hard to achieve and international competition particularly fierce. There was some evidence of slight recovery in mechanical engineering in line with national trends, but business in heavy engineering remained very difficult and some companies struggled to achieve profits.

In the Region's glass container industry trading conditions continued to be difficult and there appears still to be excess capacity at existing levels of demand despite major rationalisation which has taken place in recent years.

Nearly all the Region's chemical companies performed well and profits rose substantially in many cases. There were also major investments in the industry notably on Humberside.

More generally, the Region gained some major investment projects by foreign-owned companies during the year, some of which were supported by regional financial assistance. However, there were also job losses at some foreign-owned plants in the Region.

There was some encouraging growth in high-technology companies, although there were reversals as well in some previously successful companies involved in computer and associated manufacture.

### *Unemployment*

In March 1986 there were 316,217 (15.6 per cent) persons unemployed in the Region against 302,926 (14.9 per cent) in March 1985. The upward trend levelled off towards the end of 1985, but industry's efforts to achieve higher efficiency by cutting its production costs makes it unlikely that we shall see a substantial fall in unemployment in the near future.

South Yorkshire, followed by Humberside, remains the part of the Region with the most severe unemployment problem. Significant job losses have occurred in the coal-mining areas of South and West Yorkshire and there is not enough other industrial investment to make good the losses, although the decision by Case to put major new tractor manufacturing operations in Doncaster was welcome.

### *Government Assistance*

The number of applications for Regional Selective Assistance increased compared with the previous year. The Regional Office made 116 offers (87 in 1984-85). The grants offered totalled £7.0 million (£7.18 million) in support of projects involving total capital investment of £70.0 million (£61.2 million). It was expected that the projects would create or safeguard 3,248 jobs (2,593). In addition it should be mentioned for completeness that there were three offers of grants made on the advice of the Industrial Development Advisory Board relating to projects in the Region; these totalled £12.4 million for projects involving capital investment of £190.3 million, which were expected to create or safeguard 4,451 jobs. The distribution of assistance across the Region shows that 48 firms were offered assistance in West Yorkshire (ie the Bradford Travel-to-Work Area), 43 in South Yorkshire, and 28 in Humberside.

In the Development Areas (ie the Rotherham and Mexborough, Scunthorpe and Whitby Travel-to-Work Areas) many projects have received offers under the new Regional Development Grant Scheme which were sufficient to encourage job-creating projects without the need for the additional inducement of Regional Selective Assistance.

### *East Midlands Region*

#### *General*

The gradual economic recovery which began in 1984 continued at a modest rate through 1985 and into 1986. Most companies in the region are now working at satisfactory or full capacity and an increasing number report expanding

order books. Nevertheless, the high level of business activity has not resulted in a significant increase in employment as companies have sought to improve their competitiveness through investment in new technology and more efficient plant.

Evidence of the improving economic climate has been seen across most business sectors but most clearly in the consumer orientated industries which have benefited directly from a real growth in personal income. Industrial growth has been much less marked in the construction and heavy engineering sectors, which remain comparatively depressed by the static level of capital project business available and the generally poor margins achievable in the face of fierce competition, especially overseas. In the areas of light and medium engineering recovery has been uneven with some of the more innovative machine tool producers showing improved performances and expressing greater confidence about their future prospects. A number of manufacturers continue to shed labour in order to contain costs. The traditional industries of clothing and footwear have experienced some recovery.

The decline in employment in the mining industry continues—the industry accounted for the highest number of regional redundancies in 1985. However, exploitation of the new Vale of Belvoir coalfield and the prospect of new mining activity on the Nottinghamshire/Lincolnshire border is expected to lead to some additional employment.

There are indications of skill shortages occurring more widely throughout industry. This has begun to act as a constraint on growth in some cases, notably among textile manufacturers where wages and working conditions have been comparatively unattractive. Concern has continued about the high level of real interest rates and local authority rates.

### *Unemployment*

In February 1986 unemployment in the East Midlands stood at 13.0 per cent, exactly the same rate as a year earlier. 16,700 redundancies were declared in the region in 1985 compared with over 20,000 in 1984. Two counties, Leicestershire and Northamptonshire showed a drop in unemployment over the year to February 1986 but this was offset by small increases in Derbyshire, Lincolnshire and Nottinghamshire. As has been the case for a number of years Lincolnshire was the county with the highest rate. The largest change took place in Northamptonshire where unemployment fell by 0.7 per cent to 12.2 per cent.

Corby has continued to record a high level of unemployment. In February 1985 it stood at 22.4 per cent and it is currently 22.5 per cent. A substantial number of jobs are likely to be created by projects currently underway which over the next two years should result in a significant drop in the numbers unemployed.

### *Government Assistance*

During the period under review 41 offers (35 in 1984-85) of assistance under Section 7 of the Industrial Development Act 1982 were made in respect of projects costing £25.1 million (£30.1 million). Grants offered totalled £2.7 million (£3.1 million) and it was expected that 999 (1,474) jobs would be created/safeguarded as a result. The level of interest in selective assistance within the Corby Development Area has slackened since the introduction of the new Regional Development Grants Scheme under the revised Part II of the Act. However this has been more than offset by an increase in the number of selective assistance cases

which have arisen in the Intermediate Area of Gainsborough and in the Leicestershire part of the Coventry and Hinckley Intermediate Area.

T. McDONALD, OBE, FCA  
*Chairman*

### **South West Industrial Development Board**

Solid and genuine business progress has been achieved in the Region during the year, including projects planned or underway in the Cinderford/Ross-on-Wye Travel-to-Work Area and Plymouth. These include the welcomed increased presence of Plessey and the expansion of Wandel and Golttermann, both of which will serve to strengthen the employment position in Plymouth. It is also encouraging to note the emergence of small and medium sized companies involved in high technology sectors. The Region has, however, also suffered major employment setbacks, particularly in West Cornwall and anxiety for the future of tin mining and ancillary industries, coupled with continuing uncertainties concerning Devonport Dockyard have dominated economic news from the South West Assisted Areas during the year.

Unemployment in the South West Region in March 1986 was 11.8 per cent and the black spots continue to be Newquay, Penzance and St Ives. The unemployment rates have risen dramatically in West Cornwall, notably in Camborne, Redruth and Helston and further significant job losses could result if the three major tin mines close.

The industrial problems of West Cornwall have underlined again its remoteness from the main markets within the UK and highlighted the need for better communications if new jobs are to be created and the best use made of the assets of the tourism industry. In a peripheral area such as this investment in infra-structure assumes a special importance and overwhelmingly welcomed by those in business is the green light at last for the Okehampton By-Pass. It is important that urgent progress is made now with the by-pass and other improvements to the A30 and also in encouraging the extension of air services to London and the continent.

In the Forest of Dean, road improvements, especially to the A48 are vital also to the regeneration of that area. However, the Board has noted with satisfaction that after a slow start Section 7 assistance is taking effect in encouraging and supporting new projects and jobs and the very welcome conversion of part of the Rank Xerox site at Mitcheldean to a business park suitable for both small and larger firms.

The Board welcomes the appointment of a full-time Director to the Devon and Cornwall Development Bureau, and the increased professionalism brought to promoting the two counties, but the Board is concerned about the lack of adequate industrial sites particularly in Cornwall, and is disappointed that the English Estates programme is so restricted in an area where commercial developers are reluctant to build speculative units.

During the year 1985-86, 41 new applications for assistance under Section 7 of the Industrial Development Act 1982 to a total value of £5.3 million were received. Thirty three offers of assistance totalling £2.5 million were made on projects costing £16.3 million which were estimated to provide 953 additional jobs and safeguard a further 470 jobs.

From the introduction of the Industry Act 1972 to 31 March 1986, a total of 642 applications have been received resulting in 490 offers, amounting to £33.9 million on projects estimated to cost £282.3 million, and expected to provide 21,841 additional jobs.

During the year Mr. V. Parsons and Mr. E. G. Hoare were appointed to the Board. Messrs Pascoe and Sparks both retired from the Board at the end of December 1985, following the expiry of their contracts. Their individual contributions to the work of the Board over a number of years are gratefully acknowledged, especially Mr. Sparks' tenure as Deputy Chairman of the Board.

K. E. HOLMES  
*Chairman*

### **West Midlands Industrial Development Board**

The response to the designation of Assisted Area status to the West Midlands in November 1984 has been most encouraging and continues to follow the trends referred to in last year's Report. Over 260 projects have been supported during the year with offers of grant totalling £22 million. These projects are forecast to generate investment of £230 million in the short to medium term with consequential employment benefits of 12,600 additional jobs (7,300 created, 5,300 safeguarded). Overall since November 1984 300 projects have been offered support involving grant of £31.5 million aimed to stimulate investment of £304 million. It is anticipated that the assistance will create or safeguard a total of 18,700 jobs.

The Board's advice has been sought in connection with over 50 large cases, five of which were connected with overseas companies attracted by the assistance provided, to set up an operation in the West Midlands.

The Board has noted with pleasure that during the year projects have been supported in a variety of industrial sectors in addition to those traditional to the West Midlands such as metal forming and engineering. Textiles, Rubber, Food and Drink have all been evident, while the service sector featured in such diverse activities as educational services, laundries and recording studios. This investment over a wider industrial field will assist in strengthening the industrial base of the Region.

Interest in Regional Selective Assistance continues at a high level and is reflected in a constant flow of enquiries to the local Regional Office.

About 50 new projects each month are considered for support and there is no sign of a reduction in this figure in the immediate future.

The Board welcomes these indications that industry is responding to the investment incentives now available because although, as reported above, there has been an encouraging start there is still much to be done to regenerate local industry.

E. SWAINSON, CBE  
*Chairman*

## North West Industrial Development Board

### General outlook

1. The Board remains optimistic about the long-term prospects for industry in the Region. A gradual recovery continues, although in some sectors this arises from favourable exchange rates, while in others, particularly engineering, trading conditions have remained depressed and uncertain.

2. *In spite of this slow recovery, the North West still faces considerable economic and social problems, although there has been an encouraging increase in the number of major regeneration initiatives taking place.* This can be seen in the major urban renewal projects taking place in both Liverpool and Manchester, where the private and public sectors are working together; for example, in the redevelopment of Salford Quays and the study on regenerating the once great Trafford Park Industrial Estate. The G-MEX Exhibition Centre created from the derelict Manchester Central Station opened in March 1986, with a major exhibition of North West Enterprise as a demonstration of the investment opportunities to be had in the Region.

3. Whilst the business community in the Region has done much to improve its international competitiveness, it can only fully benefit from its efforts if it operates in an economic climate comparable to our international competitors. *Whilst lower inflation and improved industrial relations are essential elements of improving competitiveness, we are as last year concerned about the negative effects which continuing high real interest rates are having on North West companies, small and large, who have problems in financing both new capital investment and additional working capital.* There is a need for the Government to have a clearer exchange rate policy with greater stability and at realistic levels against our trading partners if hard won export orders are to be sustained. More support is also needed by the Government to exporters in providing the financial packages which are increasingly becoming the crucial element in securing major export contracts in Developing Countries. In this context, the withdrawal by Export Credit Guarantee Department of its comprehensive Bankers Guarantee Scheme providing short-term guarantees for small firms is a serious loss. The commercial alternatives will be too costly for business already short of cash and many will be forced to reduce their level of export activity.

4. In last year's Report the Board highlighted the need for a more effective and commercially orientated regional promotional agency to attract new inward investment. *It therefore welcomes the launch of INWARD in September 1985 under the Chairmanship of Mr. Geoffrey Thompson (a former member of the Board) and the Directorship of Basil Jeuda.* However, it is concerned that there remain major problems over the shortage of resources. This is resulting in too much effort being made in trying to raise support from local authorities and industry rather than in the task of promoting the Region. To be successful, INWARD will need time and increased support; but apart from INWARD there needs to be more effective co-ordination within the Region if the North West is to realise its full potential.

### Unemployment

5. No report can ignore the considerable human problems associated with the continuing high levels of unemployment which remain within the region, especially within

the inner areas of the conurbations and in the older textile towns. The total number of unemployed claiming benefit in March 1986 was 449,969 or 16.2 per cent.

6. Whilst the levels of redundancies are well below the peaks of 1980 and 1981 they remain disturbingly high. During the year about 37,300 jobs were lost through redundancies, of which 24,800 were in manufacturing; the worst affected sectors continued to be Mechanical and Electrical Engineering, Food, Drink and Tobacco and Chemicals. Total employment in manufacturing is now estimated at about 675,000 compared with over one million in 1978. Nevertheless, both output and new investment are now recovering, and there have been substantial gains in productivity over pre-recessionary levels.

### Merseyside

7. Activities on Merseyside were overshadowed by the Liverpool City Council financial crisis and the subsequent political overtones which have done little to create confidence in industry and commerce. Unemployment remains extremely high with little evidence that the level of redundancies is declining. However, on the more positive side, a number of major investments have been announced by employers to modernise plants and increase capacity giving longer term stability to facilities on Merseyside. The Liverpool Freeport has completed its first year of trading, handling £24 million worth of goods. More than 200 firms have made use of its facilities although it has yet to demonstrate its potential for attracting job-creating projects.

### Training

8. *The Board considers the raising of the overall skill levels of the Region's workforce to be a major requirement in the recovery of its industrial base, and in this respect the retraining of mature people is becoming increasingly important.* We need to follow more closely the experience of our international competitors with greater liaison between employers and the educational sector. In spite of the high levels of unemployment, an increasing number of companies have been reporting shortages of skilled labour. Whilst these shortages are more pronounced in the high technology industries, it has also been noticed that some companies in more traditional industries are now being held back by the lack of higher quality people such as machinists and technicians. Whilst the Board supports the range of training programmes now being offered by the Manpower Services Commission (MSC) throughout the North West it is concerned about the deficiencies of the extended Youth Training Scheme (YTS). Engineering training remains insufficient and YTS does not really contribute much to solving the problem of quality training. It considers that the resources now available through the MSC programmes could be more effectively spent on training in higher skills leading to a certification at the end of the term, particularly as apprentice training is virtually obsolete with no modern need for five-year apprenticeships. Lower skill training should be of limited duration. Finally, we feel that the available training facilities should respond more quickly to the changing needs of industry.

9. We must repeat last year's concern at the poor educational standard of many school leavers. There is still a gap between the demands of industry and the output of the educational system, and in this respect *we particularly welcome the progress being made within Industry Year (see*

paragraph 17) in improving links between industry and primary and secondary schools in the Region.

#### *Selective Financial Assistance*

10. *The Board welcomes the increased demand for Selective Financial Assistance during the year; offers have been made for 128 projects creating new jobs and 23 projects safeguarding employment.* Assistance provided to all sectors amounted to £27.8 million in grants. These projects in total involve the creation of 4,127 jobs and the safeguarding of 3,308 existing jobs. Total investment in all offers amounts to £240 million compared with £97 million in 1984-85; they included 36 projects individually involving investment of over £1 million compared with 18 in the year 1984-85.

11. Within the totals, 23 offers were made in the Manchester/Salford City Action Team (CAT) Area with £1.76 million of assistance involving the creation of 529 new jobs. In the Merseyside Task Force Area 11 offers were made with £1.25 million of assistance involving the creation of 136 new jobs and safeguarding a further 137 jobs.

12. The Board notes that applications for the new Regional Development Grants are running at a high level; it is however concerned at the number of Section 7B (job preservation) cases coming forward from Development Areas and sees a need for a more automatic grant to avoid involved arguments over additionality. *The Board regrets the number of occasions where applications have shown that UK machinery can no longer be supplied owing to erosion of the UK manufacturing base.* The omission of Burnley and Pendle remains an anomaly on the present Assisted Areas map.

#### *Business Improvement Services*

13. *The response by small companies to the Business Improvement Services package of schemes in the Textile, Steel and Shipbuilding Closure Area has been overwhelming with 2,575 applications received and 1,554 offers made valued at £9.66 million.* Already the funds for some of the schemes have been fully allocated and it is likely that the full £20 million allocation will be taken up well before the original expiry date of 1989. The Board welcomes the extension of the package to a new Fisheries Area covering the Blackpool Travel-to-Work Area. The Board has been encouraged by the success of this package as offering scope for similar schemes to be developed targeted at other problem areas within the Region.

#### *Infrastructure*

14. Much of the Region's basic infrastructure—from the sewage system to the commuter rail network—is in urgent need of renewal. In previous Reports the Board has highlighted the need to improve the transport infrastructure as a vital element to the regeneration of the North West. *It was therefore particularly disappointing that the opportunity was not taken by the Government to develop Manchester International Airport (MIA) in preference to Stansted, and so help to redress the investment imbalance between the North and South. However, it does welcome the reaffirmation of MIA's role as a gateway Airport for the North.* Whilst it has been encouraged by the development plans for MIA and the increased number of new services introduced during the past year, much more investment is still needed. Opportunity should be given for the private sector to be able to invest,

as well as local authorities, so that more commercially viable routes can be attracted.

15. The Board welcomes the start on the widening of the Barton Bridge over the Manchester Ship Canal to remove this notorious bottleneck on the M63 but remains concerned about the slow progress towards completion of the remaining sections of the M63/M66 Manchester Outer Ring Road. *This project is vital to renewal of economic activity in East Manchester, and the surrounding former textile towns, and the Board would like to see the Department of Transport accelerating the construction dates.* Similarly, the link from the M65 in north east Lancashire to the M6/M61 at Preston, also mentioned in last year's Report, is still urgently needed. The Board is disappointed that the case for electrification of the regionally important Manchester-Preston-Blackpool Rail Link was not accepted by the Government. It hopes that if revised proposals are submitted, they will be considered favourably.

#### *Technology*

16. The North West has many examples of successful companies operating in advanced technology, and welcomes the extent to which such industries are reducing the Region's over-dependence on more traditional sectors. *Nevertheless, we remain conscious of the need for companies in the latter to continuously update their technology.* There has been a reasonably strong response in the Region to the Department's various technical advisory measures but the Board feels that there is a need for additional measures to encourage small and medium sized companies, particularly in the Assisted Areas, to increase their take-up of new technology.

#### *Industry Year*

17. 1986 is industry Year and the message of Industry Year is particularly appropriate to the North West. After a slow start, Industry in the Region is increasingly taking up the Industry Year message and a full programme of events, many of which will have a lasting impact, is being organised.

18. Mr. Geoffrey Thompson and Mr. Nicholas Barber resigned from the Board in the period under review and we gratefully acknowledge the valuable contribution which they have made in recent years. Finally, the Board welcomed the award of a CBE to Mr. Donald Parr in the New Year Honours List.

G. N. HAGUE, OBE, FCIS  
Chairman

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## Sections 11 and 15 of the Industrial Development Act 1982

### Section 11

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

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

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

### Section 15

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

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

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

- (d) under the English Industrial Estates Corporation Act 1981,

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

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

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

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



## APPENDIX 2

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

TABLE 1 ANALYSIS OF OFFERS BY REGION TO 31 MARCH 1986(a)

£ million

Region	Regional Development Grants (b)	Section 8					Totals	
		Section 7		General Investment Measures		Other Measures	Grants	Loans/Equity (c)
		Grants	Loans/Equity (c)	Grants	Loans/Equity (c)	Grants		
Scotland	388.8	43.3	26.4	nil	41.2	456.4	43.3	
Wales	288.5	23.8	24.4	nil	10.3	323.2	23.8	
North East	220.1	20.2	17.7	0.5	22.8	260.6	20.7	
Yorkshire and Humberside	123.5	9.9	19.6	nil	85.8	228.9	9.9	
East Midlands	40.5	1.1	17.2	nil	65.7	123.4	1.1	
South East	nil	nil	44.3	0.4	160.4	204.7	0.4	
South West	34.0	3.6	9.7	nil	52.7	96.4	3.6	
West Midlands	25.4	0.1	41.6	0.3	88.1	155.1	0.4	
North West	272.9	28.2	22.6	nil	95.4	390.9	28.2	
Northern Ireland	nil	nil	nil	nil	6.3	6.3	nil	
Mixed	nil	nil	11.5	4.9	0.3	11.8	4.9	
<b>Total</b>	<b>1,393.7</b>	<b>130.2</b>	<b>235.0</b>	<b>6.1</b>	<b>629.0</b>	<b>2,257.7</b>	<b>136.3</b>	
Of which, in year ended 31.3.86	213.8	nil	3.4	nil	27.0	244.2	nil	

(a) This table summarises assistance described in Appendices 6 and 12 (excluding the Energy Conservation Scheme and Steel Castings Rationalisation Scheme).

(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 1986(a)

£ Million

Region	Regional Development Grants (b)	Section 8					Totals	
		Section 7		General Investment Measures		Other Measures	Grants	Loans/Equity (c)
		Grants	Loans/Equity (c)	Grants	Loans/Equity (c)	Grants		
Scotland	1,488.7	204.3	42.0	19.8	nil	31.0	1,743.8	42.0
Wales	946.8	150.3	20.8	21.1	nil	7.4	1,125.6	20.8
North East	1,396.8	126.9	18.0	5.8	0.5	12.7	1,542.2	18.5
Yorkshire and Humberside	327.4	72.9	9.2	16.8	nil	65.1	482.2	9.2
East Midlands	48.9	28.6	1.1	15.1	nil	49.6	142.2	1.1
South East	nil	nil	nil	35.9	0.4	107.4	143.3	0.4
South West	91.1	18.0	3.5	7.9	nil	35.4	152.4	3.5
West Midlands	2.7	4.8	0.1	32.9	0.2	51.7	92.1	0.3
North West	904.5	194.2	26.8	30.0	nil	68.0	1,196.7	26.8
Northern Ireland	nil	nil	nil	nil	nil	4.7	4.7	nil
Mixed	nil	nil	nil	11.2	4.9	0.2	11.4	4.9
<b>Total</b>	<b>5,206.9</b>	<b>800.0</b>	<b>121.5</b>	<b>196.5</b>	<b>6.0</b>	<b>433.2</b>	<b>6,636.6</b>	<b>127.5</b>
Of which, in year ended 31.3.86	358.5	106.5	nil	10.9	nil	55.7	531.6	nil

(a) This table summarises assistance described in Appendices 4 (Tables 3 and 5), 6 and 12 (excluding the Energy Conservation Scheme and Steel Castings Rationalisation Scheme).

(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)

TABLE THE UNEMPLOYED IN 1985 (TWELVE MONTHLY AVERAGE FOR THE CALENDAR YEAR)

<i>Region</i>	<i>Number (000)</i>	<i>Per cent</i>
Scotland	353.0	15.6
Development Area	213.9	19.0
Intermediate Area	56.6	17.2
Wales	180.6	16.9
Development Area	71.9	19.1
Intermediate Area	93.7	16.2
North East(b)	238.2	18.9
Development Area	191.2	21.0
Intermediate Area	24.7	15.4
Yorkshire and Humberside	308.1	15.0
Development Area	33.1	20.4
Intermediate Area	152.4	16.5
East Midlands	189.4	12.7
Development Area	5.1	22.0
Intermediate Area	2.0	16.2
East Anglia	82.8	10.7
South East (c)	781.3	9.9
South West	206.3	12.0
Development Area	13.5	21.2
Intermediate Area	26.7	15.5
West Midlands	357.0	15.4
Intermediate Area	276.5	16.9
North West	452.7	16.3
Development Area	191.8	19.9
Intermediate Area	135.9	15.0
All Development Areas	720.5	19.9
All Intermediate Areas	768.3	16.3
All other areas	1,660.7	10.9
Great Britain	3,149.4	13.3

Notes:

- (a) Data are based on numbers of claimants of unemployment benefit and on Assisted Area boundaries at 29 November 1984. Percentage rates are based on mid-1984 estimates of employees in employment plus the unemployed. Data for Travel-to-Work Areas (TTWA's) are aggregated to the closest approximation of Standard Planning Regions.
- (b) The North East region includes Cumbria for this purpose.
- (c) In this table only, the figures for the South East Region do not include East Anglia.
- (d) This figure is not comparable with those for earlier years since it has now been possible to adjust the figures for the Manchester TTWA to reflect differences in Assisted Area status within the TTWA.
- (e) Small discrepancies in totals are due to rounding.

## Regional Development Grants

Regional Development Grants are payable under Part II of the Act. On 29 November 1984 there came into force a new Regional Development Grant Scheme by virtue of the substitution of a new Part II of the Act for the old one. However, the old Scheme continued in force under the transitional arrangements in the Cooperative Development Agency and Industrial Development Act (Commencement) Order 1984.

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

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

The rates of grant are 22 per cent in the Special Development Areas and 15 per cent in the Development Areas.

Regional Development Grants are tax free, and are not treated as reducing capital expenditure which qualifies for tax allowance. Applications have to be received by the relevant Government Department not later than two years after the end of the quarter during which the asset was provided.

Under the transitional provisions in the Commencement Order grant may be paid after 28 November 1984 under the old Scheme and on the basis of the former map of Assisted Areas only in respect of:

- (a) expenditure defrayed before 29 November 1984;
- (b) assets provided before 29 November 1985 or;
- (c) assets provided as part of a project where there was an application for selective assistance before 1 February 1984, and an offer of such assistance before 29 November 1984.

In this context selective assistance means assistance under Section 7 or 8 of the Industrial Development Act 1982, Section 7 or 8 of the Industry Act 1972, or Section 5 of the Highlands and Islands Development (Scotland) Act 1965, or assistance from the Department of Trade and Industry or its predecessor Departments under Section 5 of the Science and Technology Act 1965.

In January 1985 it was announced that there would be a moratorium of four months on payments of approved applications under the Old Regional

Development Grant (RDG) Scheme in order to reduce expenditure on regional industrial incentives in 1985–86 to what it had previously been expected to be.

### New Regional Development Grants

Under the revised Scheme RDG is payable towards approved projects of investment in the productive capacity or the productive processes of an undertaking in the Development Areas. The Development Areas for this purpose are those designated in the Assisted Areas Order 1984. That Order did not designate any Special Development Areas.

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

The Qualifying Activities Order 1984 re-enacted the existing qualifying activities but on the basis of the 1980 rather than the 1968 Standard Industrial Classification, and in addition specified various new qualifying activities, mainly in the service sector, eg computer services, venture capital providers and mail order houses.

Grant towards approved projects is calculated as the higher of 15 per cent of eligible capital expenditure (broadly as under the old Scheme) or £3,000 for each net new job created in the activities to which the project relates. The net number of jobs created by a project for RDG purposes is expressed in terms of full time equivalents. It is the number of such jobs created by the project in the Development Areas in the undertaking concerned, minus any such jobs lost as a direct result of the project in that undertaking in the Development Areas or in Northern Ireland, minus also any such net job losses which so arise in the Intermediate Areas. In the case of projects of undertakings employing more than 200 people, grant calculated on the basis of capital expenditure is limited to £10,000 for each net new job created. In the case of undertakings which employ 200 or fewer people, the maximum grant calculated on the basis of capital expenditure is £75,000 (15 per cent of £500,000) or £10,000 multiplied by the number of net new jobs created, whichever is the higher. Employees of associated undertakings are taken into account in this context.

TABLE 1 OLD REGIONAL DEVELOPMENT GRANTS: PAYMENTS BY GROUPS OF QUALIFYING ACTIVITIES  
£'000

Standard Industrial Classification Orders (SIC 1968)	1985-86			1972-73 to 1985-86		
	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	612	107	719	105,388	9,136	114,524
III Food and drink and tobacco	29,218	5,156	34,374	362,375	154,466	516,841
IV Coal and petroleum products	11,768	2,077	13,845	421,511	81,464	502,975
V Chemicals and allied industries	56,040	9,890	65,930	1,002,743	206,332	1,209,075
VI Metal manufacture	42,373	7,478	49,851	564,140	167,667	731,807
VII Mechanical engineering	15,392	2,716	18,108	206,208	94,227	300,435
VIII Instrument engineering	2,990	528	3,518	34,356	9,869	44,225
IX Electrical engineering	34,886	6,156	41,042	213,845	66,930	280,775
X Shipbuilding and marine engineering	2,507	442	2,949	44,520	32,649	77,169
XI Vehicles	13,327	2,352	15,679	180,086	52,187	232,273
XII Metal goods not elsewhere specified	6,552	1,156	7,708	86,388	40,890	127,278
XIII Textiles	4,097	723	4,820	87,607	41,401	129,008
XIV Leather, leather goods and furs	377	67	444	4,850	2,721	7,571
XV Clothing and footwear	2,864	505	3,369	33,357	14,626	47,983
XVI Bricks, pottery, glass, cement etc	9,470	1,671	11,141	158,856	49,009	207,865
XVII Timber, furniture etc	5,339	942	6,281	57,127	34,921	92,048
XVIII Paper, printing and publishing	23,808	4,202	28,010	194,164	65,268	259,432
XIX Other manufacturing industries	7,919	1,398	9,317	92,516	32,026	124,542
XX Construction	19	3	22	103,051	7,277	110,328
Other	2,302	406	2,708	35,657	16,202	51,859
Total	271,860	47,975	319,835	3,988,745	1,179,268	5,168,013

(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 OLD REGIONAL DEVELOPMENT GRANTS: PAYMENTS BY REGION IN 1985-86 £'000

Region	Plant and machinery (a)			Buildings and works (a)				Total plant and machinery and buildings and works
	SDA	DA	Total	SDA	DA	IA	Total	
Scotland	60,699	20,589	81,288	10,712	3,633	nil	14,345	95,633
Wales	46,908	21,353	68,261	8,278	3,768	nil	12,046	80,307
Northern	29,064	20,324	49,388	5,129	3,586	nil	8,715	58,103
Yorkshire and Humberside	nil	15,982	15,982	nil	2,820	nil	2,820	18,802
East Midlands	nil	2,352	2,352	nil	411	4	415	2,767
South West	1,081	5,468	6,549	191	965	nil	1,156	7,705
North West	44,073	3,967	48,040	7,777	618	83	8,478	56,518
Total	181,825	90,035	271,860	32,087	15,801	87	47,975	319,835

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

TABLE 3 OLD REGIONAL DEVELOPMENT GRANTS: PAYMENTS BY REGION IN 1972-73 TO 1985-86 £'000

Region	Plant and machinery (a)			Buildings and works (a)					Total plant and machinery and buildings and works
	SDA	DA	Total	SDA	DA	IA	DLCA	Total	
Scotland	609,768	563,799	1,173,567	163,648	133,662	5,702	nil	303,012	1,476,579
Wales	320,789	455,260	776,049	61,606	87,241	17,817	nil	166,664	942,713
Northern	492,515	662,266	1,154,781	112,317	120,909	nil	nil	233,226	1,388,007
Yorkshire and Humberside	nil	150,627	150,627	nil	34,796	136,543	nil	171,339	321,966
East Midlands	nil	22,044	22,044	nil	3,969	17,313	3,979	25,261	47,305
South West	7,216	60,702	67,918	2,073	15,306	4,947	nil	22,326	90,244
West Midlands	nil	nil	nil	nil	nil	680	2,013	2,693	2,693
North West	556,102	87,657	643,759	116,977	14,427	123,343	nil	254,747	898,506
Total	1,986,390	2,002,355	3,988,745	456,621	410,310	306,345	5,992	1,179,268	5,168,013

(a) Since 1982-83, the split between plant and machinery and buildings and works had 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 the 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 some information which was not available when the annual tables in Reports for earlier years were prepared.

TABLE 4 NEW REGIONAL DEVELOPMENT GRANT: VALUE OF GRANTS OFFERED AND PAYMENTS BY TYPE OF INDUSTRY

£'000

Standard Industrial Classification Division (SIC 1980)	1985—86		1984—85 (a) to 1985—86	
	Assistance Offered	Payments	Assistance Offered	Payments
	1. Energy and Water supply Industries	161	20	161
2. Extraction of minerals and ores other than fuels; manufacture of metals, mineral products and chemicals	17,228	3,041	17,655	3,041
3. Metal goods, engineering and vehicle industries	57,668	13,670	58,547	13,679
4. Other manufacturing industries	59,299	15,432	61,711	15,719
7. Transport and communications	2,418	841	2,463	841
8. Banking, Finance, Insurance, Business Services and Leasing	11,683	3,510	12,936	3,522
9. (i) Industrial Research and Development in specialised research establishments only	12	12	947	12
(ii) Football Pools only	48	nil	48	nil
Other	9,592	2,098	9,599	2,098
<b>Total</b>	<b>158,109</b>	<b>38,624</b>	<b>164,067</b>	<b>38,932</b>

(a) From 29 November 1984

TABLE 5 NEW REGIONAL DEVELOPMENT GRANTS: VALUE OF GRANTS OFFERED AND PAYMENTS BY REGION

£'000

Region	1985—86		1984—85 (a) to 1985—86	
	Assistance Offered	Payments	Assistance Offered	Payments
Scotland	57,364	11,884	58,983	12,114
Wales	30,752	4,113	30,875	4,113
North East	26,674	8,733	28,886	8,800
Yorkshire and Humberside	12,682	5,385	13,037	5,396
East Midlands	8,747	1,590	9,795	1,590
South West	2,506	905	2,534	905
North West	19,384	6,014	19,957	6,014
<b>Total</b>	<b>158,109</b>	<b>38,624</b>	<b>164,067</b>	<b>38,932</b>

(a) See note to Table 4

## 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. The criteria for the use of these powers were set out in the document *Criteria for Assistance to Industry* which was notified to Parliament on 12 January 1976, to which two further criteria were added when changes in Regional Policy were announced in July 1979. Under the provisions of the Government's White Paper *Regional Industrial Development* of December 1983, further changes in Regional Policy were announced on 28 November 1984 which came into effect immediately. The Office and Service Industries Scheme was discontinued and service industry became eligible for assistance under mainstream Section 7. Also, those re-location projects where there is no net increase in jobs will now normally be excluded from Regional Selective Assistance.

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 either:
  - (i) that the project will not take place at all without assistance; or
  - (ii) that assistance will lead to a significant change in the nature or scale of the project or a significant advancement in its timing or its location in the Assisted Areas;
- (c) *Efficiency*  
Assistance is provided only for projects which seem likely to strengthen the regional and national economy and thereby provide more productive and more secure jobs, eg by improving efficiency or by the introduction of new technology or products;
- (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; and

- (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, construction and mining industries are eligible. Assistance to the service industries is confined to mobile projects, ie those serving a wider than purely local market. Projects serving primarily local needs, eg retail shops or similar local services, are not eligible.

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 and the provision for tourist projects under the Development of Tourism Act 1969, or if assistance is being sought under alternative schemes.

### 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.

Other forms of assistance which may be offered are:

- (a) a grant under the In-plant Training Scheme (see below); and
- (b) Exchange Risk Cover on medium-term foreign currency loans from the European Investment Bank or the European Coal and Steel Community (see Appendix 8).

Assistance may take just one of these forms or may be negotiated as a package involving a combination of project grant and/or training grant and/or 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 other forms of assistance, including loans, are provided only in exceptional circumstances.

### Procedures and Delegation

On 1 July 1975 Ministerial responsibility for Regional Selective Assistance in Scotland and Wales now under Section 7 of the Industrial Development Act 1982 was transferred to the Secretaries of State for Scotland and Wales respectively.

Responsibility for cases in England and for certain projects and applications for the whole of Great Britain remains with the Secretary of State for Trade and Industry.

At 31 March 1986, Regional Offices of the Department of Trade and Industry, with the assistance of their Industrial Development Boards, had delegated authority to deal with cases within the following limits:

<i>Region</i>	<i>Maximum Grant Regional Office can authorise</i>	<i>Maximum Size of Project Regional Office can appraise</i>
North East	£2 million	£10 million
North West		
Yorkshire and Humberside	£1 million	£5 million
South West		
East Midlands		
West Midlands		

### **Training Grants**

Training Grants are available to projects in manufacturing and service industries in the Assisted Areas. All sectors of manufacturing industry are eligible but there are restrictions on certain projects in the textile, clothing, footwear and leather sectors.

### **Eligibility**

The support measure forms part of the regional aid package and in order to qualify for assistance, projects must therefore satisfy the Section 7 criteria. In addition, training assistance is only provided where training is an essential part of the project and accounts for a significant proportion of total project costs.

The measure is concerned solely with training directly associated with an investment project. It follows that normal replacement training and on-going training programmes are not eligible for assistance. Similarly,

the training of apprentices is not relevant. From 1 January 1986, to satisfy the requirements of the European Social Fund, each trainee must be under 25 years of age and receive a minimum 200 hours of actual training in the use of new technology.

### **Amount and form of Assistance**

Assistance takes the form of a grant up to a maximum of 40 per cent of eligible training costs. This attracts a matching grant from the European Social Fund. Both grants are payable in instalments related to the progress of the training programme; 50 per cent once the programme starts, and 50 per cent on completion.

### **Eligible Costs**

Eligible costs are:

- (a) the basic wage costs of trainees for the duration of the training programme;
- (b) the basic wage costs of instructors for the duration of the training programme or, alternatively, where companies make use of the direct training services available from the Manpower Services Commission (MSC) or hire an outside firm to supervise the training on their behalf, the full cost of the service provided by MSC or the firm concerned;
- (c) the net cost of manufactured parts or raw materials consumed in the course of training;
- (d) the travel and subsistence expenses of trainees and instructors where training takes place away from their normal place of work.

APPENDIX 6

Statistics relating to Section 7 of the Industrial Development Act 1982

1. These tables give details of Regional Selective Assistance described in paragraphs 7 to 10 of the Report.

2. The figures of estimated employment associated with projects receiving assistance are gross figures (in that no offset has been made for job losses attributable, for instance, to the re-location of projects from non-Assisted Areas).

3. Projects may also be eligible for Regional Development Grants.

TABLE 1 GREAT BRITAIN CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1985 TO 31 MARCH 1986

	Offers accepted 1.4.85 to 31.3.86					Cumulative offers accepted to 31 March 1986					
	Number	Value (£'000)	Associated Project Costs (£'000)	Estimated Employment		Number	Value (£'000)	Associated Project Costs (£'000)	Total Payments (£'000)	Estimated Employment	
				New	Safeguarded					New	Safeguarded
<i>Special Development Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	208	61,407		56,602		
Old Criteria Grants	nil	nil	nil	nil	nil	1,774	280,035	6,937,178	235,659	239,182	90,733
OSIS Grants	1	24	137,207	1,668	3,550	474	37,518				
Project Grants	42	16,457				1,497	361,106				
Training Grants	1	30				88	23,611				
Total Grants	44	16,511				137,207	1,668	3,550	3,833	702,270	436,751
<i>Development Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	139	39,745		37,303		
Old Criteria Grants	nil	nil	nil	nil	nil	1,346	93,799	4,657,811	79,754	155,925	74,017
OSIS Grants	10	1,482	1,109,237	15,014	10,502	351	26,532				
Project Grants	289	96,808				1,272	243,774				
Training Grants	15	2,160				58	7,895				
Total Grants	314	100,450				1,109,237	15,014	10,502	3,027	372,000	188,110
<i>Intermediate Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	135	29,101		27,416		
Old Criteria Grants	nil	nil	nil	nil	nil	2,281	103,366	3,686,654	89,073	184,523	104,849
OSIS Grants	5	209	1,069,454	22,563	15,824	418	15,485				
Project Grants	548	92,545				1,566	191,626				
Training Grants	13	4,049				23	8,959				
Total Grants	566	96,803				1,069,454	22,563	15,824	4,288	319,436	175,071
<i>All Assisted Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	482	130,253		121,321 (a)79,918		
Old Criteria Grants	nil	nil	nil	nil	nil	5,401	477,200	15,281,643	404,486	579,630	320,104
OSIS Grants	16	1,715	2,315,898	39,245	29,876	1,243	79,535				
Project Grants	879	205,810				4,335	796,506				
Training Grants	29	6,239				169	40,465				
Total Grants	924	213,764				2,315,898	39,245	29,876	11,148	1,393,706	799,932

For offers accepted during 1985-86 the calculation of grant is based on assisted area status at the time of application. The definition of assisted areas changed in November 1984. In some cases, the values relate to projects with an assisted area status prior to the November 84 regional policy changes. 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 1985 TO 31 MARCH 1986

Offers accepted 1.4.85 to 31.3.86						Cumulative offers accepted to 31 March 1986					
Number	Value (£'000)	Associated Project Costs (£'000)	Estimated Employment		Number	Value (£'000)	Associated Project Costs (£'000)	Total Payments (£'000)	Estimated Employment		
			New	Safeguarded					New	Safeguarded	
<i>Special Development Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	75	19,782		19,168		
Old Criteria Grants	nil	nil	nil	nil	nil	574	82,692	2,622,740	62,930	94,634	40,533
OSIS Grants	nil	nil			120	14,046					
Project Grants	21	6,518	43,830	438	2,716	563	135,085				
Training Grants	1	30				33	16,546				
<b>Total Grants</b>	<b>22</b>	<b>6,548</b>	<b>43,830</b>	<b>438</b>	<b>2,716</b>	<b>1,290</b>	<b>248,369</b>	<b>2,622,740</b>	<b>143,478</b>	<b>94,634</b>	<b>40,533</b>
<i>Development Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	45	20,950		20,741		
Old Criteria Grants	nil	nil	nil	nil	nil	483	42,230	1,655,157	33,328	48,055	28,387
OSIS Grants	nil	nil				19	603				
Project Grants	86	43,524	656,192	7,056	3,105	189	64,917				
Training Grants	7	1,643				13	2,520				
<b>Total Grants</b>	<b>93</b>	<b>45,167</b>	<b>656,192</b>	<b>7,056</b>	<b>3,105</b>	<b>704</b>	<b>110,270</b>	<b>1,655,157</b>	<b>47,754</b>	<b>48,055</b>	<b>28,387</b>
<i>Intermediate Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	5	2,590		2,090		
Old Criteria Grants	nil	nil	nil	nil	nil	30	1,873	338,800	1,652	7,409	10,715
OSIS Grants	nil	nil				16	446				
Project Grants	23	6,262	73,027	1,924	656	150	26,910				
Training Grants	1	250				2	886				
<b>Total Grants</b>	<b>24</b>	<b>6,512</b>	<b>73,027</b>	<b>1,924</b>	<b>656</b>	<b>198</b>	<b>30,115</b>	<b>338,800</b>	<b>13,049</b>	<b>7,409</b>	<b>10,715</b>
<i>All Assisted Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	125	43,322		41,999 (a)19,398		
Old Criteria Grants	nil	nil	nil	nil	nil	1,087	126,795	4,616,697	97,910	150,098	79,635
OSIS Grants	nil	nil				155	15,095				
Project Grants	130	56,304	773,049	9,418	6,477	902	226,912				
Training Grants	9	1,923				48	19,952				
<b>Total Grants</b>	<b>139</b>	<b>58,227</b>	<b>773,049</b>	<b>9,418</b>	<b>6,477</b>	<b>2,192</b>	<b>388,754</b>	<b>4,616,697</b>	<b>204,281</b>	<b>150,098</b>	<b>79,635</b>

For offers accepted during 1985/86 the calculation of grant is based on assisted area status at the time of application. The definition of assisted areas changed in November 1984. In some cases, the values relate to projects with an assisted area status prior to the November 84 regional policy changes. 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 1985 TO 31 MARCH 1986

Offers accepted 1.4.85 to 31.3.86						Cumulative offers accepted to 31 March 1986					
Number	Value (£'000)	Associated Project Costs (£'000)	Estimated Employment		Number	Value (£'000)	Associated Project Costs (£'000)	Total Payments (£'000)	Estimated Employment		
			New	Safeguarded					New	Safeguarded	
<i>Special Development Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	51	12,140		10,925		
Old Criteria Grants	nil	nil	nil	nil	nil	266	65,307	1,378,263	55,781	44,519	9,972
OSIS Grants	1	24	80,598	1,125	150	43	2,572				
Project Grants	13	7,523				290	72,937				
Training Grants	nil	nil				9	1,879				
<b>Total Grants</b>	<b>14</b>	<b>7,547</b>	<b>80,598</b>	<b>1,125</b>	<b>150</b>	<b>608</b>	<b>142,695</b>	<b>1,378,263</b>	<b>84,299</b>	<b>44,519</b>	<b>9,972</b>
<i>Development Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	56	11,488		9,626		
Old Criteria Grants	nil	nil	nil	nil	nil	348	24,606	1,203,579	22,463	45,476	25,256
OSIS Grants	4	350	194,612	2,635	4,892	153	10,857				
Project Grants	61	24,391				417	80,644				
Training Grants	nil	nil				9	1,314				
<b>Total Grants</b>	<b>65</b>	<b>24,741</b>	<b>194,612</b>	<b>2,635</b>	<b>4,892</b>	<b>927</b>	<b>117,421</b>	<b>1,203,579</b>	<b>56,945</b>	<b>45,476</b>	<b>25,256</b>
<i>Intermediate Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	10	215		215		
Old Criteria Grants	nil	nil	nil	nil	nil	83	2,760	232,548	2,452	9,430	5,522
OSIS Grants	1	40	102,276	2,937	944	36	880				
Project Grants	64	15,297				132	24,529				
Training Grants	1	225				1	225				
<b>Total Grants</b>	<b>66</b>	<b>15,562</b>	<b>102,276</b>	<b>2,937</b>	<b>944</b>	<b>252</b>	<b>28,394</b>	<b>232,548</b>	<b>9,039</b>	<b>9,430</b>	<b>5,522</b>
<i>All Assisted Areas</i>											
Loans/Equity	nil	nil	nil	nil	nil	117	23,843		20,766 (a)17,633		
Old Criteria Grants	nil	nil	nil	nil	nil	697	92,673	2,814,390	80,696	99,425	40,750
OSIS Grants	6	414	377,486	6,697	5,986	232	14,309				
Project Grants	138	47,211				839	178,110				
Training Grants	1	225				19	3,418				
<b>Total Grants</b>	<b>145</b>	<b>47,850</b>	<b>377,486</b>	<b>6,697</b>	<b>5,986</b>	<b>1,787</b>	<b>288,510</b>	<b>2,814,390</b>	<b>150,283</b>	<b>99,425</b>	<b>40,750</b>

For offers accepted during 1985/86 the calculation of grant is based on assisted area status at the time of application. The definition of assisted areas changed in November 1984. In some cases, the values relate to projects with an assisted area status prior to the November 84 regional policy changes. Old Criteria Grants include Interest Relief and Removal Grants. OSIS=Office and Service Industries Scheme.  
(a) Repayment of loans.

TABLE 4 ENGLAND: CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1985 TO 31 MARCH 1986

Offers accepted 1.4.85 to 31.3.86						Cumulative offers accepted to 31 March 1986						
Number	Value (£'000)	Associated Project Costs (£'000)		Estimated Employment		Number	Value (£'000)	Associated Project Costs (£'000)		Total Payments (£'000)	Estimated Employment	
				New	Safeguarded						New	Safeguarded
<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	132,036	2,936,175	116,948	100,029	90,733	
OSIS Grants	nil	nil				311	20,900					
Project Grants	8	2,416	12,779	105	684	644	153,084					
Training Grants	nil	nil				46	5,186					
<b>Total Grants</b>	<b>8</b>	<b>2,416</b>	<b>12,779</b>	<b>105</b>	<b>684</b>	<b>1,935</b>	<b>311,206</b>	<b>2,936,175</b>	<b>208,974</b>	<b>100,029</b>	<b>90,733</b>	
<i>Development Areas</i>												
Loans/Equity	nil	nil	nil	nil	nil	38	7,307			6,936		
Old Criteria Grants	nil	nil	nil	nil	nil	515	26,963	1,799,075	23,963	62,394	20,374	
OSIS Grants	6	1,132				179	15,072					
Project Grants	142	28,893	258,433	5,323	2,505	666	98,218					
Training Grants	8	517				36	4,061					
<b>Total Grants</b>	<b>156</b>	<b>30,542</b>	<b>258,433</b>	<b>5,323</b>	<b>2,505</b>	<b>1,396</b>	<b>144,309</b>	<b>1,799,075</b>	<b>83,411</b>	<b>62,394</b>	<b>20,374</b>	
<i>Intermediate Areas</i>												
Loans/Equity	nil	nil	nil	nil	nil	120	26,296			25,111		
Old Criteria Grants	nil	nil	nil	nil	nil	2,168	98,733	3,115,306	84,969	167,684	88,612	
OSIS Grants	4	169				366	14,159					
Project Grants	461	70,986	894,151	17,702	14,224	1,284	140,187					
Training Grants	11	3,574				20	7,848					
<b>Total Grants</b>	<b>476</b>	<b>74,729</b>	<b>894,151</b>	<b>17,702</b>	<b>14,224</b>	<b>3,838</b>	<b>260,927</b>	<b>3,115,306</b>	<b>152,983</b>	<b>167,684</b>	<b>88,612</b>	
<i>All Assisted Areas</i>												
Loans/Equity	nil	nil	nil	nil	nil	240	63,088			58,556 (a)42,887		
Old Criteria Grants	nil	nil	nil	nil	nil	3,617	257,732	7,850,556	225,880	330,107	199,719	
OSIS Grants	10	1,301				856	50,131					
Project Grants	611	102,295	1,165,363	23,130	17,413	2,594	391,484					
Training Grants	19	4,091				102	17,095					
<b>Total Grants</b>	<b>640</b>	<b>107,687</b>	<b>1,165,363</b>	<b>23,130</b>	<b>17,413</b>	<b>7,169</b>	<b>716,442</b>	<b>7,850,556</b>	<b>445,368</b>	<b>330,107</b>	<b>199,719</b>	

For offers accepted during 1985/86 the calculation of grant is based on assisted area status at the time of application. The definition of assisted areas changed in November 1984. In some cases, the values relate to projects with an assisted area status prior to the November 84 regional policy changes. Old Criteria Grants include Interest Relief and Removal Grants. OSIS=Office and Service Industries Scheme.

(a) Repayment of loans.

TABLE 5 NORTH EAST: CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1985 TO 31 MARCH 1986

	Offers accepted 1.4.85 to 31.3.86					Cumulative offers accepted to 31 March 1986					
	Number	Value (£'000)	Associated Project Costs (£'000)	Estimated Employment		Number	Value (£'000)	Associated Project Costs (£'000)	Total Payments (£'000)	Estimated Employment	
				New	Safeguarded					New	Safeguarded
Loans/Equity	nil	nil	nil	nil	nil	68	20,224		17,989		
									(a)15,255		
Old Criteria Grants	nil	nil	nil	nil	nil	687	58,945	2,662,299	51,190	86,186	47,098
OSIS Grants	1	120				196	13,177		8,205		
Project Grants	88	16,667	154,032	3,766	1,897	602	143,040		64,659		
Training Grants	9	605				52	4,979		2,825		
<b>Total Grants</b>	<b>98</b>	<b>17,392</b>	<b>154,032</b>	<b>3,766</b>	<b>1,897</b>	<b>1,537</b>	<b>220,141</b>	<b>2,662,299</b>	<b>126,879</b>	<b>86,186</b>	<b>47,098</b>

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

TABLE 6 YORKSHIRE AND HUMBERSIDE: CUMULATIVE OFFERS AND OFFERS ACCEPTED 1 APRIL 1985 TO 31 MARCH 1986

	Offers accepted 1.4.85 to 31.3.86					Cumulative offers accepted to 31 March 1986					
	Number	Value (£'000)	Associated Project Costs (£'000)	Estimated Employment		Number	Value (£'000)	Associated Project Costs (£'000)	Total Payments (£'000)	Estimated Employment	
				New	Safeguarded					New	Safeguarded
Loans/Equity	nil	nil	nil	nil	nil	57	9,913		9,187		
									(a)7,812		
Old Criteria Grants	nil	nil	nil	nil	nil	962	36,408	1,494,481	31,685	78,986	34,282
OSIS Grants	4	75				203	9,169		6,739		
Project Grants	102	28,106	395,125	5,179	3,902	562	73,630		32,732		
Training Grants	nil	nil				9	4,338		1,760		
<b>Total Grants</b>	<b>106</b>	<b>28,181</b>	<b>395,125</b>	<b>5,179</b>	<b>3,902</b>	<b>1,736</b>	<b>123,545</b>	<b>1,494,481</b>	<b>72,916</b>	<b>78,986</b>	<b>34,282</b>

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 1985 TO 31 MARCH 1986

	Offers accepted 1.4.85 to 31.3.86					Cumulative offers accepted to 31 March 1986					
	Number	Value (£'000)	Associated Project Costs (£'000)	Estimated Employment		Number	Value (£'000)	Associated Project Costs (£'000)	Total Payments (£'000)	Estimated Employment	
				New	Safeguarded					New	Safeguarded
Loans/Equity	nil	nil	nil	nil	nil	18	1,139		1,058		
									(a)965		
Old Criteria Grants	nil	nil	nil	nil	nil	263	5,184	325,573	4,699	26,411	2,715
OSIS Grants	1	1,000				53	10,175		6,736		
Project Grants	38	2,538	29,328	1,137	6	258	24,487		16,685		
Training Grants	nil	nil				8	667		545		
<b>Total Grants</b>	<b>39</b>	<b>3,538</b>	<b>29,328</b>	<b>1,137</b>	<b>6</b>	<b>582</b>	<b>40,513</b>	<b>325,573</b>	<b>28,665</b>	<b>26,411</b>	<b>2,715</b>

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 1985 TO 31 MARCH 1986

	Offers accepted 1.4.85 to 31.3.86					Cumulative offers accepted to 31 March 1986							
	Number	Value (£'000)	Associated Project Costs (£'000)	Estimated Employment		Number	Value (£'000)	Associated Project Costs (£'000)	Total Payments (£'000)	Estimated Employment			
				New	Safeguarded					New	Safeguarded		
Loans/Equity	nil	nil	nil	nil	nil	27	3,557		3,491 (a)2,793				
Old Criteria Grants	nil	nil	nil	nil	nil	240	11,263	388,009	9,755	19,109	4,964		
OSIS Grants	4	106	115,108	2,376	239	35	1,144					400	
Project Grants	31	6,449				147	20,245						7,437
Training Grants	nil	nil				5	1,316						
<b>Total Grants</b>	<b>35</b>	<b>6,555</b>				<b>115,108</b>	<b>2,376</b>	<b>239</b>	<b>427</b>	<b>33,968</b>	<b>388,009</b>		<b>17,982</b>

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 1985 TO 31 MARCH 1986

	Offers accepted 1.4.85 to 31.3.86					Cumulative offers accepted to 31 March 1986							
	Number	Value (£'000)	Associated Project Costs (£'000)	Estimated Employment		Number	Value (£'000)	Associated Project Costs (£'000)	Total Payments (£'000)	Estimated Employment			
				New	Safeguarded					New	Safeguarded		
Loans/Equity	nil	nil	nil	nil	nil	1	60		60 (a)60				
Old Criteria Grants	nil	nil	nil	nil	nil	12	127	240,052	121	7,008	8,066		
OSIS Grants	nil	nil	231,213	6,528	8,061	nil	nil					4,654	
Project Grants	200	21,874				206	22,474						nil
Training Grants	6	2,751				6	2,751						
<b>Total Grants</b>	<b>206</b>	<b>24,625</b>				<b>231,213</b>	<b>6,528</b>	<b>8,061</b>	<b>224</b>	<b>25,352</b>	<b>240,052</b>		<b>4,775</b>

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 1985 TO 31 MARCH 1986

	Offers accepted 1.4.85 to 31.3.86					Cumulative offers accepted to 31 March 1986							
	Number	Value (£'000)	Associated Project Costs (£'000)	Estimated Employment		Number	Value (£'000)	Associated Project Costs (£'000)	Total Payments (£'000)	Estimated Employment			
				New	Safeguarded					New	Safeguarded		
Loans/Equity	nil	nil	nil	nil	nil	69	28,195		26,771 (a)16,002				
Old Criteria Grants	nil	nil	nil	nil	nil	1,453	145,805	2,740,142	128,430	112,407	102,594		
OSIS Grants	nil	nil	240,557	4,144	3,308	369	16,466					11,866	
Project Grants	152	26,661				819	107,608						52,503
Training Grants	4	735				22	3,044						
<b>Total Grants</b>	<b>156</b>	<b>27,396</b>				<b>240,557</b>	<b>4,144</b>	<b>3,308</b>	<b>2,663</b>	<b>272,923</b>	<b>2,740,142</b>		<b>194,151</b>

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 1986(a)

Standard Industrial Classification Orders (SIC 1968)	OFFERS						PAYMENTS					
	Loans/Equity		Old Criteria Grants		Project Grants		Training Grants		Payments	Associated Project Costs	Estimated Employment	
	Number	Value £'000	Number	Value £'000	Number	Value £'000	Number	Value £'000	Value £'000	£'000	New	Safe
I Agriculture, Forestry and Fishing	1	25	9	124	12	481	nil	nil	452	3,978	257	156
II Mining and Quarrying	4	1,290	16	1,920	31	2,201	nil	nil	4,471	33,197	1,415	1,143
III Food, Drink and Tobacco	31	4,927	461	32,945	345	61,504	4	229	65,686	1,105,575	39,066	16,733
IV Coal and Petroleum Products	1	100	19	237	6	2,738	nil	nil	1,344	41,404	488	499
V Chemicals and Allied Industries	21	7,113	411	31,862	305	69,554	7	1,157	58,787	2,278,313	30,915	12,745
VI Metal Manufacture	33	12,333	262	16,771	210	34,116	5	335	45,003	593,765	19,876	21,355
VII Mechanical Engineering	78	18,145	802	66,539	524	87,681	20	8,285	118,605	1,597,229	77,162	35,740
VIII Instrument Engineering	11	871	124	12,714	117	18,483	5	859	12,869	334,040	22,572	2,637
IX Electrical Engineering	42	20,728	424	76,664	465	189,456	55	19,963	162,109	3,162,566	95,788	77,519
X Shipbuilding and Marine Engineering	20	5,406	66	12,837	34	5,195	1	2,367	15,424	215,231	13,193	5,084
XI Vehicles	15	11,338	215	104,575	141	85,844	8	1,329	122,236	1,778,689	36,659	41,886
XII Metal goods not elsewhere stated	33	5,871	511	15,646	347	27,204	7	285	31,854	488,904	28,757	9,536
XIII Textiles	45	11,915	490	29,896	326	39,966	6	1,211	58,457	768,747	37,324	37,366
XIV Leather, Leather goods and Fur	3	2,940	25	571	16	937	1	18	4,065	21,641	1,460	1,479
XV Clothing and Footwear	25	1,899	196	7,659	209	21,224	24	2,671	22,710	246,582	37,435	7,677
XVI Bricks, Pottery, Glass, Cement etc	16	2,642	160	12,576	161	19,616	2	50	21,789	471,696	13,202	11,087
XVII Timber furniture etc	27	3,569	304	9,991	232	16,545	6	214	23,153	312,364	23,882	3,714
XVIII Paper, Printing and Publishing	30	6,017	385	16,901	343	41,562	7	310	40,537	811,971	22,674	15,642
XIX Other Manufacturing Industries	42	12,281	387	19,277	322	50,545	8	895	46,394	705,409	29,761	13,692
XX Construction	4	843	77	2,249	55	9,525	nil	nil	8,296	116,657	6,696	2,400
XXI Gas, Electricity and Water	nil	nil	nil	nil	2	147	nil	nil	nil	2,060	56	nil
XXII To XXVII Service Industries	nil	nil	57	5,246	132	11,982	3	287	9,691	154,669	7,329	2,014
<b>Total</b>	<b>482</b>	<b>130,253</b>	<b>5,401</b>	<b>477,200</b>	<b>4,335</b>	<b>796,506</b>	<b>169</b>	<b>40,465</b>	<b>873,932</b>	<b>15,244,687</b>	<b>545,967</b>	<b>320,104</b>

(a) Excluding Office and Service Industries Scheme.

TABLE 12 PAYMENTS MADE BY FINANCIAL YEAR FOR GREAT BRITAIN

£'000

Financial Year	Loans/Equity	Old Criteria Grants	Project Grants	Training Grants	OSIS Grants	Total
1972-73	248	54	nil	nil	nil	302
1973-74	19,635	3,115	76	nil	nil	22,826
1974-75	19,959	14,849	5	nil	190	35,003
1975-76	43,867	21,826	37	nil	1,038	66,768
1976-77	21,514	19,404	58	nil	1,644	42,620
1977-78	9,125	32,496	30	nil	2,145	43,796
1978-79	5,325	93,265	106	nil	3,092	101,788
1979-80	1,500	72,410	1,590	nil	3,439	78,939
1980-81	100	61,738	9,979	23	5,193	77,033
1981-82	36	42,512	28,655	1,133	3,736	76,072
1982-83	12	27,780	55,166	1,835	5,363	90,156
1983-84	nil	9,502	65,335	3,403	9,442	87,682
1984-85	nil	3,257	77,856	3,326	7,281	91,720
1985-86	nil	2,278	92,011	7,501	4,758	106,548
<b>Total</b>	<b>121,321</b>	<b>404,486</b>	<b>330,904</b>	<b>17,221</b>	<b>47,321</b>	<b>921,253</b>

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

TABLE 13 EMPLOYMENT CREATED AND SAFEGUARDED TO 31 MARCH 1986(a)

Region	Offers made to 31 March 1984 £'000	Total Payments to 31 March 1986 £'000	Forecast of RDG associated with projects £'000	Forecast employment associated with projects(b)		Realisation of forecast up to 31 March 1986	
				New	Safeguarded	New	Safeguarded
Scotland	269,706	194,031	269,080	116,828	50,173	81,628	26,927
Wales	196,989	142,766	198,463	68,049	27,186	47,771	23,740
North East	136,714	107,018	223,397	62,872	29,976	48,076	26,128
Yorkshire and Humberside	84,637	63,671	37,838	60,242	28,007	43,776	22,961
East Midlands	19,514	16,538	13,591	19,308	800	13,106	331
South West	22,275	15,002	13,591	12,933	4,733	10,233	2,009
West Midlands	187	121	129	226	nil	157	nil
North West	198,368	168,220	161,320	82,223	75,768	65,919	67,148
Total England	461,695	370,570	449,866	237,804	139,284	181,267	118,577
Total Great Britain	928,390	707,367	917,409	422,681	216,643	310,666	169,244

(a) The above Table sets out the level of employment achieved so far on projects offered assistance in the period up to 31 March 1984 on which some payment has been made.

(b) The forecast employment associated with these projects covers the period up to 1989.

APPENDIX 7

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

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

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

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

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

TABLE 1 APPLICATIONS AND OFFERS TO 31 MARCH 1986

Region	Applications(a)										
	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	9,217	9,930	923	876	Nil	Nil	8,294	9,053	2,866	2,390	
Wales	1,176	19,962	197	6,529	229	3,748	750	9,685	3,500	535	
North East	816	10,855	141	1,163	116	1,910	559	7,431	3,300	431	
Yorkshire and Humberside	1,631	41,721	397	10,132	120	4,862	1,114	26,727	9,688	2,430	
East Midlands	267	3,740	76	1,555	19	220	172	1,965	892	198	
North West	2,681	60,238	743	15,289	292	7,646	1,646	37,303	10,284	2,615	
<b>Total</b>	<b>15,788</b>	<b>146,446</b>	<b>2,477</b>	<b>35,544</b>	<b>776</b>	<b>18,386</b>	<b>12,535</b>	<b>92,164</b>	<b>30,530</b>	<b>8,599</b>	
	Of which, in year ended 31.3.86						10,675	(b)	27,337	8,352	

(a) The above figures include all applications under Section 7, Section 8 and Section 11 of the Industrial Development Act 1982 and Section 5 of the Science and Technology Act 1965

(b) Not currently available.

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

Steel Areas	Shipbuilding Areas	Textile Areas
Strathclyde	Strathclyde	
Cleveland	Cleveland	Assisted Areas of Tayside
Clwyd	Tyne and Wear	The following areas in West Yorkshire: Bradford TTWA Dewsbury TTWA Halifax TTWA Huddersfield TTWA Keighley TTWA Todmorden TTWA
South Glamorgan	Merseyside	
West Glamorgan (including those parts of Port Talbot TTWA(b) located in mid-Glamorgan)		
Gwent		The following areas in Lancashire: Accrington TTWA Blackburn TTWA Burnley TTWA Lancaster TTWA Nelson TTWA Rossendale TTWA
Corby TTWA		
Llanelli TTWA		
Assisted Areas in Durham (including parts of Consett TTWA located in Northumberland and Tyne and Wear)		
Assisted Areas in Humberside (including parts of Scunthorpe TTWA located in Lincolnshire)		
South Yorkshire (including Sheffield TTWA)		The following areas of Greater Manchester: Ashton-under-Lyne TTWA Bolton TTWA Bury TTWA Leigh TTWA Oldham TTWA Rochdale TTWA Wigan TTWA
Workington 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 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). Exchange Risk Cover for New Community Instrument lending, available in Non-Assisted Areas, was introduced in January 1983, and was run down from 31 December 1984. Exchange Risk Cover for European Investment Bank lending, and for ECSC loans of more than £500,000 was run down from 18 July 1985. Firms wishing to borrow in excess of £500,000 can seek to make up the difference by Sterling loans from ECSC, or by borrowing at the borrowers 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 any sector of industry which provide new employment opportunities in the 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 jobs suitable for ex-coal and steel workers, an interest rebate worth up to 5 per cent per annum may be paid over the first five years of the loan.

### Size of Loans

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

The normal minimum loan is £3 million but smaller loans down to a minimum of £5,000 are available through 3i, Barclays Bank, Co-operative Bank, Clydesdale Bank, Scottish Development Agency, Welsh Development Agency, National Westminster Bank, Bank of Scotland and Royal Bank of Scotland which have global loan agreements with ECSC. Loans involving sums of more than £3 million are negotiated direct with ECSC.

### Progress of the Scheme

In 1985–86 three direct ECSC loans totalling £7.5 million were made towards the creation of 950 jobs. In addition funds worth £77.6 million were provided for use by ECSC agents, creating an estimated 6,500 jobs.

## APPENDIX 9

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

TABLE IMPROVEMENT OF BASIC SERVICES IN THE AREAS FOR EXPANSION

Department	Service	Applications					Applications approved		
		Brought forward from 1984-85	Received in 1985-86	Rejected	Withdrawn	Under consideration	Number	Estimated cost (£'000)	Estimated grant (£'000)
Department of Environment	Sewerage	200	25	1	15	174	35	34,116	1,382
	Water Supply	197	31	nil	13	193	22	21,370	976
Department of Transport	Roads	93	65	7	4	37	110	12,572	3,265
Scottish Development Agency	Roads	6	4	2	1	1	6	1,554	181
	Sewerage	1	2	nil	nil	nil	3	54	16
	Water Supply	1	2	nil	nil	2	1	117	35
Welsh Office	Roads	6	16	6	nil	12	4	1,526	266
	Sewerage	4	4	nil	nil	4	4	912	277
	Water Supply	28	25	nil	nil	35	18	8,301	1,972
	Drainage	1	nil	nil	nil	nil	1	312	94
Total		537	174	16	33	458	204	80,834	8,464

(a) No applications were brought forward from 1984-85, nor were any new applications received, in respect of the Industry Department for Scotland, the Ministry of Agriculture, Fisheries and Food, the Department of Energy, or the Department of Transport (Railways) scheme.

## APPENDIX 10

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

TABLE 1 STOCK OF PREMISES MANAGED BY ENGLISH ESTATES AS AT 31 MARCH 1986

Region	Status of area(a)	Leasable Stock						Under Construction(b)	
		Occupied		Vacant		Total		Units	Area ('000m <sup>2</sup> )
		Units	Area ('000m <sup>2</sup> )	Units	Area ('000m <sup>2</sup> )	Units	Area ('000m <sup>2</sup> )		
North East	AA	1,313	1,024.9	505	179.5	1,818	1,204.4	31	3.9
	NAA	63	20.1	29	3.2	92	23.3	nil	nil
Yorkshire and Humberside	AA	397	120.4	133	29.8	530	150.2	20	1.4
	NAA	135	31.8	49	7.1	184	38.9	29	3.5
East Midlands	AA	24	4.6	3	0.6	27	5.2	nil	nil
	NAA	189	43.8	38	5.6	227	49.4	24	3.6
South East	NAA	164	24.7	16	3.0	180	27.7	43	6.1
South West	AA	261	66.7	57	20.2	318	86.9	20	2.1
	NAA	230	38.4	60	8.3	290	46.7	20	1.8
West Midlands	AA	18	4.5	nil	nil	18	4.5	36	4.3
	NAA	160	32.2	41	6.0	201	38.2	10	1.3
North West	AA	700	325.2	251	120.3	951	445.5	4	42.3
	NAA	251	114.6	91	21.0	342	135.6	10	2.3
Total		3,905	1,851.9	1,273	404.6	5,178	2,256.5	247	72.6

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

(b) Under Construction includes Extensions and Custom Built Premises.

TABLE 2 EMPLOYMENT IN OCCUPIED ENGLISH ESTATES PREMISES

Region	At 31 March 1985			At 31 March 1986		
	Male	Female	Total	Male	Female	Total
<i>Leased from English Estates</i>						
North East	13,503	8,389	21,892	15,961	9,329	25,290
Yorkshire and Humberside	2,115	947	3,062	2,982	1,278	4,260
East Midlands	799	269	1,068	734	260	994
South East	465	131	596	508	219	727
South West	2,074	1,317	3,391	2,226	1,466	3,692
West Midlands	691	565	1,256	639	537	1,176
North West	7,158	4,989	12,147	7,948	5,719	13,667
	26,805	16,607	43,412	30,998	18,808	49,806
<i>Sold by English Estates or privately built on English Estates land</i>						
			55,220			58,462
Total			98,632			108,268

TABLE 3 ENGLISH ESTATES: PREMISES

Region	Status of area (a)	Occupied during 1985-86(b)		Vacated during 1985-86		Reserved at 31 March 1986		Available for letting at 31 March 1986		Vacancy rate
		Units	Area ('000m <sup>2</sup> )	Units	Area ('000m <sup>2</sup> )	Units	Area ('000m <sup>2</sup> )	Units	Area ('000m <sup>2</sup> )	% Area of leasable stock
		North East	AA	523	138.6	287	77.2	77	33.1	428
	NAA	34	7.7	21	4.3	3	0.4	26	2.8	12.2
Yorkshire and Humberside	AA	191	40.3	63	8.6	9	3.9	124	25.9	17.3
	NAA	54	8.4	31	5.2	2	0.2	47	6.9	17.7
East Midlands	AA	13	1.9	6	0.6	2	0.4	1	0.2	3.6
	NAA	92	17.3	41	7.5	5	1.0	33	4.6	9.4
South East	NAA	69	10.3	14	2.3	8	1.7	8	1.3	4.6
South West	AA	107	22.1	68	16.1	12	10.5	45	9.7	11.2
	NAA	106	15.0	37	5.0	13	2.6	47	5.6	12.1
West Midlands	AA	7	0.8	nil	nil	nil	nil	nil	nil	nil
	NAA	58	10.0	17	3.8	19	3.1	22	2.8	7.4
North West	AA	313	59.4	146	21.5	93	50.5	158	69.9	15.7
	NAA	80	10.9	37	6.2	30	8.1	61	12.9	9.5
Total		1,647	342.7	768	158.3	273	115.5	1,000	289.1	12.8

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

(b) Premises let includes extensions and custom built lettings. In addition, 24 units totalling 37,586m<sup>2</sup> were sold to new occupiers.

**TABLE 4 FACTORY BUILDING COMPLETED DURING 1985-86**

Region	Status of area (a)	Advance factories(b)						Total	
		Department of Trade and Industry		Development Commission		Extensions and Custom Built			
		Units	Area ('000m <sup>2</sup> )	Units	Area ('000m <sup>2</sup> )	Units	Area ('000m <sup>2</sup> )	Units	Area ('000m <sup>2</sup> )
North East	AA	231	59.0	74	6.5	3	5.5	308	71.0
	NAA	nil	nil	20	2.5	nil	nil	20	2.5
Yorkshire and Humberside	AA	48	14.7	15	1.6	nil	nil	63	16.3
	NAA	8	1.5	24	3.8	1	0.2	33	5.5
East Midlands	AA	nil	nil	nil	nil	nil	nil	nil	nil
	NAA	15	1.5	32	4.1	3	2.3	50	7.9
South East	NAA	nil	nil	35	6.3	1	0.3	36	6.6
South West	AA	10	4.5	21	2.1	nil	nil	31	6.6
	NAA	14	2.1	41	4.7	2	1.8	57	8.6
West Midlands	AA	nil	nil	6	0.6	nil	nil	6	0.6
	NAA	nil	nil	42	5.0	2	0.4	44	5.4
North West	AA	145	16.1	nil	nil	2	5.1	147	21.2
	NAA	36	9.2	19	2.6	nil	nil	55	11.8
<b>Total</b>		<b>507</b>	<b>108.6</b>	<b>329</b>	<b>39.8</b>	<b>14</b>	<b>15.6</b>	<b>850</b>	<b>164.0</b>

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

(b) No advance factories, funded jointly by English Estates and private sector companies, were completed during the year ended 31 March 1986.

**TABLE 5 RENT FREE PERIODS GRANTED BY ENGLISH ESTATES DURING 1985-86**

Region	Number	Value (£'000)
North East	111	1,250
Yorkshire and Humberside	44	268
East Midlands	1	2
South West	8	51
North West	35	264
<b>Total</b>	<b>199</b>	<b>1,835</b>

**TABLE 6 EXPENDITURE AND RECEIPTS IN RESPECT OF LAND AND FACTORY BUILDINGS IN 1985-86(a)**

	£'000
<b>Expenditure(b)</b>	
Land acquisition	943
Cost of works and modernisation of factories	30,757
	<b>31,700</b>
<b>Receipts</b>	
Net Rents	8,974
Cash sales of land and buildings	9,728
Capital instalments of credit sales of land and buildings	972
Interest in respect of credit sales	320
Refunds (VAT)	616
Other capital receipts	225
	<b>20,835</b>
Capital expenditure funded by the Development Commission(c)	14,930

(a) Provisional. The accounts of the English Industrial Estates Corporation (EIEC) are laid before Parliament in accordance with the English Industrial Estates Corporation Act 1981 as amended by the Industrial Development Act 1985.

(b) Management expenditure by the EIEC (such as maintenance of estates, administration, etc) is met out of rents on their property holdings.

(c) This year, the Development Commission again provided finance for capital expenditure direct to the EIEC. Prior to 1984-85 this was provided from the Department of Trade and Industry Vote and reimbursed as an appropriation in aid.

## Assistance under Section 1 of the Derelict Land Act 1982 and Section 8 of the Local Employment Act 1972

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

<i>Brought forward from 1984—85(b)</i>	<i>Received in 1985—86</i>	<i>Applications</i>			<i>Applications approved</i>			<i>Estimated cost (£'000)</i>	<i>Grant payable (£'000)</i>	<i>Applications outstanding at 31 March 1986(b)</i>
		<i>Refused</i>		<i>Number withdrawn</i>	<i>Number</i>	<i>Area (Hectares)</i>				
		<i>Number</i>	<i>Area (Hectares)</i>			<i>Area (Hectares)</i>				
284	828	134	459	32	569	2,446	52,553	51,785	377	

(a) These figures relate to schemes in England dealt with by the Department of Environment. Responsibility for such schemes in Scotland and Wales lies with the Scottish and Welsh Development Agencies.

(b) Including schemes where approval had been given in principle.

APPENDIX 12

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

TABLE SUMMARY OF APPLICATIONS AND OFFERS TO 31 MARCH 1986

Support Measure	Date of introduction	Closing date for applications	Applications			Number	Offers		Payments (£'000)	
			Received	Rejected or withdrawn	Under consideration at 31.3.86		Project costs (£'000)	Assistance offered (£'000)	Cumulative	Year to 31.3.86
<i>General Investment Support Measures</i>										
Accelerated Projects	15. 4.75	31. 7.76	297	186	nil	111	568,107	71,854	70,631	nil
Selective Investment Support for Major Projects	15.12.76	30. 6.79	766	590	nil	176	1,041,109	107,724	97,449	1,963
Other Measures	17. 7.79	Not applicable	430	246	10	174	625,752	62,689	35,202	8,917
Completed Schemes(b)	Various	Various	9,686	2,218	nil	7,468	1,248,580	271,748	206,578	nil
Redmeat Slaughterhouse	9.11.76	30.11.80	498	126	nil	372	116,156	16,182	12,980	nil
Electronic Components	24. 1.77	31.12.78	149	64	nil	85	59,200	15,995	12,162	21
Microelectronics Industry Support Programme 1	26. 7.78	(c)	204	38	nil	166	276,430	59,047	52,452	11,673
Coal Firing	22. 5.81	Not applicable	869	382	68	419	257,536	47,578	28,494	12,301
Fibre Optics	27. 7.81	Not applicable	32	5	4	23	37,760	5,159	2,618	939
Private Sector Steel	14.12.81	7. 3.84	255	49	nil	206	124,852	35,765	32,247	2,753
Small Engineering Firms Investment 1	30. 3.82	28. 5.82	1,882	436	nil	1,446	96,441	32,147	25,990	2,920
Advanced Manufacturing Technology	8. 6.82(d)	30. 6.86(e)	561	245	29	287	203,474	45,767	20,194	8,514
Computer Aided Design and Test Equipment	1. 8.82	12. 3.84	1,334	254	nil	1,080	101,791	25,969	21,813	3,489
Small Engineering Firms Investment 2	28. 3.83	30. 9.83	6,415	1,524	nil	4,891	232,314	72,917	48,224	5,967
Certification Schemes	April 83	Not applicable	20	nil	1	19	5,856	956	528	382
Innovation – Linked Investment	1. 6.83	22. 5.84	139	77	1	61	11,020	2,038	1,109	635
Quality Assurance Support for Microelectronics	20. 6.83	30. 6.88	352	56	127	169	8,136	2,034	633	587
	19. 3.84	31. 3.90	120	41	16	63	177,234	26,310	7,304	5,507
<b>Total</b>			<b>24,009</b>	<b>6,537</b>	<b>256</b>	<b>17,216</b>	<b>5,191,748</b>	<b>901,879</b>	<b>676,608</b>	<b>66,568</b>

(a) Does not include Small Firms Loan Guarantee Scheme, Financial Management Advisory Service Experiment, European Regional Development Fund Specific Measures or the Offshore Supplies Interest Relief Scheme.

(b) These Schemes, under which all outstanding payments were completed prior to 1 April 1985 are: Wool Textiles (stages 1 and 2), Ferrous Foundry, Machine Tool, Clothing, Paper and Board, Non-Ferrous Foundry, Instrumentation and Automation, Drop Forging, Printing Machinery, Textile Machinery, Poultrymeat Processing, Steel Casting, Energy Conservation and Footwear. An analysis by Scheme of the aggregated figures appeared in the Report for the year ended 31 March 1984.

(c) Projects were to be completed by 31 March 1985.

(d) Including the Robot Support Programme which was previously assisted under the Science and Technology Act 1965.

(e) Except for consultancy studies.

## Section 8 General Investment Support for Major Projects

Grants are available throughout the United Kingdom for major capital investment projects which are in the national interest. Although any suitable large project is eligible in principle, each is examined individually in its industrial context. Assistance is provided only on a selective basis, *the criteria are strict*, and only a small number of projects will be supported.

*To be eligible, projects should involve new investment of at least £0.5 million.* In order to be considered for support projects *must have good prospects of providing exceptional benefits to the national economy* and a substantial contribution to the strength and competitiveness of the sector involved. Projects need to exhibit some or all of the following characteristics:

- (a) An improvement in company performance likely to result in a substantial impact on overall UK capability in the product area. This is usually assessed in terms of productivity, but other improvements such as quality or reliability may be relevant;
- (b) the introduction of major new or radically improved products;
- (c) the introduction into the UK of a significant degree of technical innovation or new work skills;
- (d) wider improvements in the position of UK companies. This might include, for example, increases in the efficiency of customers or suppliers, and may involve an improvement in competitiveness of a sector as a whole;
- (e) an overall increase in UK exports or import substitution, or the meeting of increased UK demand. Any project likely to compete solely with other UK manufacturers is not normally eligible.

It must also be demonstrated that a project is commercially viable. If these stringent criteria can be satisfied, support will be negotiated as the minimum necessary to ensure that the project goes ahead. Support is only considered in cases where, without it, a project would not be undertaken on the basis proposed. This means that there must be a *genuine and significant enhancement* of the project as a result of the support. Examples of what this means are:

- (a) the project is internationally mobile and would be undertaken outside the UK without assistance;
- (b) a project going ahead which would not otherwise be undertaken, perhaps because of a company's limited financial resources, or the degree of risk involved;
- (c) a genuine and substantial acceleration in the timing of the project.
- (d) a substantial increase in the scale of the project.

### *Inward Investment*

The facility has so far attracted to the UK 42 internationally mobile projects involving capital expenditure of £184 million.

### *Assistance Offered*

The amount of assistance as a percentage of project cost averaged 10.0 per cent at 31 March 1986.

TABLE 1 APPLICATIONS AND OFFERS BY REGION TO 31 MARCH 1986

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	19	554,972	13	544,020	1	5,100	5	6,026	795	222
Wales	14	204,456	4	177,940	nil	nil	10	26,798	3,439	842
North East	12	54,850	7	34,998	1	11,708	4	8,162	966	938
Yorkshire and Humberside	34	185,737	19	122,589	3	24,406	12	38,744	4,000	1,332
East Midlands	46	238,257	35	177,449	1	4,000	10	60,802	6,106	4,336
South East	115	702,626	73	469,252	1	5,000	41	220,922	18,553	10,689
South West	31	110,548	21	75,340	nil	nil	10	38,986	3,060	1,710
West Midlands	116	408,698	54	241,957	3	3,630	59	154,719	19,585	12,458
North West	43	210,308	20	139,711	nil	nil	23	70,593	6,185	2,675
Total	430	2,670,452	246	1,983,256	10	53,844	174	625,752	62,689	35,202
Of which, in year ended 31.3.86	16	101,553	6	50,362	—	—	12	35,110	3,351	8,917

**TABLE 2 ASSISTANCE OFFERED BY TYPE OF INDUSTRY TO 31 MARCH 1986**

<i>Standard Industrial Classification Orders (SIC 1980)</i>	<i>Number</i>	<i>Assistance offered (£'000)</i>	<i>Project costs (£'000)</i>
1. Energy & Water Supply Industries	2	1,190	7,803
2. Extraction of Minerals and ores, other than fuels; manufacture of metals, mineral products and chemicals	35	11,978	104,071
3. Metal goods, engineering and vehicles industries(a)	111	42,042	387,643
4. Other manufacturing industries	26	7,479	126,235
<b>Total</b>	<b>174</b>	<b>62,689</b>	<b>625,752</b>

(a) Includes electrical & electronic engineering



APPENDIX 14

**Small Firms Loan Guarantee Scheme**

TABLE 1 GUARANTEES ISSUED FROM 1 JUNE 1984 TO 31 MARCH 1986 BY REGION AND SECTOR

<i>Region</i>	<i>Number</i>	<i>Value (£'000)</i>	<i>Sector</i>	<i>Number</i>	<i>Value (£'000)</i>
Scotland	183	5,740	Manufacturing	646	23,110
Wales	56	1,810	Construction	27	810
North East	76	2,840	Retail	300	8,050
Yorkshire and Humberside	98	2,730	Other services	686	22,780
East Midlands	105	3,470			
South East	653	23,380			
South West	168	4,910			
West Midlands	116	3,590			
North West	168	5,090			
Northern Ireland	36	1,190			
<b>Total</b>	<b>1,659</b>	<b>54,750</b>	<b>Total</b>	<b>1,659</b>	<b>54,750</b>
Of which, in year ended 31.3.86	542	17,750			

TABLE 2 GUARANTEES ISSUED FROM INCEPTION IN JUNE 1981 TO 31 MARCH 1986 BY REGION AND SECTOR

<i>Region</i>	<i>Number</i>	<i>Value (£'000)</i>	<i>Sector</i>	<i>Number</i>	<i>Value (£'000)</i>
Scotland	1,233	35,980	Manufacturing	7,225	262,940
Wales	744	22,190	Construction	349	10,980
North East	723	22,300	Retail	2,542	64,440
Yorkshire and Humberside	1,289	36,470	Other services	6,526	202,860
East Midlands	1,056	34,800			
South East	6,330	226,010			
South West	1,509	46,430			
West Midlands	1,411	44,230			
North West	2,151	65,240			
Northern Ireland	196	7,570			
<b>Total</b>	<b>16,642</b>	<b>541,220</b>	<b>Total</b>	<b>16,642</b>	<b>541,220</b>

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

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 are still available up to a maximum of £50,000. For the installation of AMT systems grants of up to 20 per cent were available towards capital costs. For small companies who had not previously used robots, grants of 20 per cent (maximum £25,000) were available towards the cost of installing a first robot.

At 31 March 1986, grants totalling £45.7 million had been offered for the installation of 287 systems, and £7.3 million towards 550 planning and implementation studies.

TABLE APPLICATIONS AND OFFERS FOR AMT INSTALLATIONS TO 31 MARCH 1986

Region	Applications									Payments (£'000)
	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)	
Scotland	37	30,759	18	21,653	1	129	18	9,279	1,895	869
Wales	16	10,543	8	8,209	nil	nil	8	2,024	569	206
North East	28	32,289	12	24,439	nil	nil	16	7,547	1,797	802
Yorkshire and Humberside	41	39,627	20	21,200	2	599	19	17,824	4,376	1,886
East Midlands	49	57,590	30	45,050	3	5,152	16	7,051	2,164	1,203
South East	137	103,600	64	53,159	5	1,220	68	49,623	9,147	4,494
South West	62	42,059	19	26,711	3	581	40	14,853	4,358	3,253
West Midlands	119	135,876	46	59,787	13	29,155	60	46,042	12,601	3,738
North West	68	74,065	28	24,324	2	1,558	38	47,312	8,491	3,548
Northern Ireland	4	1,798	nil	nil	nil	nil	4	1,919	369	195
<b>Total</b>	<b>561</b>	<b>528,206</b>	<b>245</b>	<b>284,532</b>	<b>29</b>	<b>38,394</b>	<b>287</b>	<b>203,474</b>	<b>45,767</b>	<b>20,194</b>
Of which, in year ended 31.3.86	78	64,855	21	29,547	—	—	35	22,757	3,713	8,514

## APPENDIX 16

## Investment Support for Microelectronics

At 31 March 1986, assistance totalling £26.3 million had been offered towards 63 projects. A further 16 projects were under consideration, involving total project costs of £11.9 million.

In addition to the above, two 'Understandings' had been negotiated with companies on the basis of agreed long-term business plans. This support is only made available against subsequent submission of suitable individual project proposals.

TABLE APPLICATIONS AND OFFERS TO 31 MARCH 1986

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	5	38,424	1	30,000	1	3,500	3	4,562	977	169
Wales	1	450	1	450	nil	nil	nil	nil	nil	nil
North East	2	2,313	1	1,816	1	497	nil	nil	nil	nil
Yorkshire and Humberside	1	240	1	240	nil	nil	nil	nil	nil	nil
East Midlands	6	18,351	5	17,620	1	731	nil	nil	nil	nil
South East	66	251,508	17	134,976	10	6,149	39	92,619	14,930	4,669
South West	18	55,603	9	13,038	1	189	8	42,909	5,061	262
West Midlands	5	5,986	1	2,163	nil	nil	4	3,522	1,117	79
North West	11	38,929	2	2,567	nil	nil	9	33,622	4,225	2,125
Mixed	5	3,965	3	3,145	2	820	nil	nil	nil	nil
Total	120	415,769	41	206,015	16	11,886	63	177,234	26,310	7,304
Of which, in year ended 31.3.86	44	87,591	26	157,153	—	—	31	104,222	14,585	5,507

## Investment Support for Fibre Optics and Opto-Electronics

This measure, funded jointly under the Science and Technology Act 1965 and the Industrial Development Act 1982, provides selective assistance for:

- (a) Projects involving the design and development of a new or significantly improved product, component, or process relating to:
- (i) Optical fibres
  - (ii) Opto-electronics: with particular emphasis on large area display technology
  - (iii) Optical sensors
  - (iv) Instruments required for these activities;
- (b) Plant, equipment and buildings for the activities in (a) above;

- (c) Applications, including demonstration or trial projects, where assistance would allow customers including the public sector, to go ahead earlier or on an expanded scale.

Assistance is normally in the form of a grant of up to 25 per cent of qualifying costs for applications under Support for Innovation. The maximum rate of grant for investment projects is 20 per cent. Exceptionally, in the case of applied research, the level of assistance may be greater for collaborative projects and for cases involving considerable national benefit.

Applications are judged against the existing Support for Innovation or Section 8 criteria, as appropriate.

TABLE 1 APPLICATIONS AND OFFERS UNDER THE INDUSTRIAL DEVELOPMENT ACT 1982 TO 31 MARCH 1986

Region	Applications									
	Received		Rejected or withdrawn		Under consideration		Offers			Payments (£'000)
	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)	Assistance offered (£'000)	
Scotland	1	489	1	489	nil	nil	nil	nil	nil	nil
Wales	2	1,061	1	470	nil	nil	1	241	14	nil
Yorkshire and Humberside	2	1,539	nil	nil	nil	nil	2	1,539	308	211
East Midlands	2	3,835	nil	nil	nil	nil	2	3,835	383	250
South East	19	43,735	3	4,007	3	2,732	13	25,018	3,092	1,499
South West	6	9,127	nil	nil	1	2,000	5	7,127	1,362	658
<b>Total</b>	<b>32</b>	<b>59,786</b>	<b>5</b>	<b>4,966</b>	<b>4</b>	<b>4,732</b>	<b>23</b>	<b>37,760</b>	<b>5,159</b>	<b>2,618</b>
Of which, in year ended 31.3.86	4	3,942	2	1,677	—	—	3	4,190	644	939

TABLE 2 APPLICATIONS AND OFFERS UNDER THE SCIENCE AND TECHNOLOGY ACT 1965 TO 31 MARCH 1986

Region	Applications									
	Received		Rejected or withdrawn		Under consideration		Offers			Payments (£'000)
	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)	Assistance offered (£'000)	
Scotland	2	1,133	nil	nil	nil	nil	2	332	110	94
Wales	4	2,925	3	2,448	nil	nil	1	477	98	nil
North East	2	2,738	nil	nil	1	908	1	1,692	389	248
Yorkshire and Humberside	15	7,748	3	692	3	1,437	9	5,170	1,373	956
East Midlands	4	1,574	1	390	nil	nil	3	1,132	371	309
South East	125	126,281	16	9,505	5	5,616	104	109,743	25,619	15,452
South West	11	16,132	2	5,281	1	1,609	8	8,744	2,466	1,860
West Midlands	4	13,130	nil	nil	1	7,587	3	5,165	1,310	1,136
North West	9	16,909	5	3,750	1	12,031	3	1,111	1,104	1,086
<b>Total</b>	<b>176</b>	<b>188,570</b>	<b>30</b>	<b>22,066</b>	<b>12</b>	<b>29,188</b>	<b>134</b>	<b>133,566</b>	<b>32,840</b>	<b>21,141</b>
Of which, in year ended 31.3.86	19	32,047	9	6,812	—	—	27	30,077	6,439	6,101

## Support for Implementing Quality Assurance Schemes

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

(a) the production of a 'Quality Manual', ie a detailed document which sets out responsibilities for every step in the production process which relates to quality, including organisation of component stocks, stores, inward inspection, testing etc;

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

Assistance is *not* available towards purchasing production or test inspection equipment. Work may be sub-contracted to outside specialists where appropriate.

TABLE APPLICATIONS AND OFFERS TO 31 MARCH 1986

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	17	776	3	44	7	376	7	356	89	14
Wales	6	296	3	28	3	268	nil	nil	nil	nil
North East	32	1,176	5	132	15	512	12	532	133	23
Yorkshire and Humberside	48	1,296	3	52	20	244	25	1,000	250	120
East Midlands	36	1,120	2	24	10	218	24	868	217	36
South East	103	4,444	17	916	37	716	49	2,812	703	223
South West	25	872	5	224	6	189	14	1,000	250	83
West Midlands	58	1,676	8	264	18	240	32	1,172	293	79
North West	25	1,196	8	440	11	360	6	396	99	55
Northern Ireland	2	164	2	164	nil	nil	nil	nil	nil	nil
<b>Total</b>	<b>352</b>	<b>13,016</b>	<b>56</b>	<b>2,288</b>	<b>127</b>	<b>3,123</b>	<b>169</b>	<b>8,136</b>	<b>2,034</b>	<b>633</b>
Of which, in year ended 31.3.86	219	8,040	39	1,455	—	—	112	6,147	1,541	587

## Assistance for the Development of Certification Schemes

Certification aims at ensuring that the quality management system of a firm is organised in line with modern practice, that regular testing of products helps to promote product design and that the standards involved are improved by feedback of certification experience. For the users, 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 for this purpose to cover product conformity certification, product approval, certification of supplier quality management systems and certification of personnel involved in quality verification.

APPENDIX 20

# Coal Firing Scheme

Under the Scheme, capital grants of up to 25 per cent of eligible costs can be obtained 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 are available towards the cost of the purchase and installation of essential plant and equipment and the provision or modification of buildings associated with the project.

The Scheme is open to commercial undertakings in manufacturing industry, commerce, agriculture and

the service sector, with some exceptions, notably banking and insurance. The Scheme is essentially directed at the private sector and public sector bodies are generally excluded.

The Scheme is presently open until 30 June 1987 for new applications. 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 1986

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	69	59,393	33	37,510	5	5,738	31	16,146	2,924	1,558
Wales	39	48,664	26	41,044	1	599	12	7,020	1,293	1,049
North East	43	53,836	21	8,916	nil	nil	22	44,920	5,313	1,577
Yorkshire and Humberside	143	29,342	57	15,006	7	1,259	79	13,077	3,013	2,224
East Midlands	86	36,779	33	22,203	6	5,394	47	9,182	2,190	1,842
South East	164	137,999	72	38,349	26	25,885	66	73,765	13,939	7,412
South West	52	14,242	17	5,787	5	2,505	30	5,949	1,191	789
West Midlands	56	17,109	27	8,072	5	1,018	24	8,019	1,689	1,345
North West	191	125,778	83	60,807	11	2,332	97	62,639	13,111	8,680
Northern Ireland	26	23,978	13	6,082	2	1,078	11	16,819	2,915	2,018
<b>Total</b>	<b>869</b>	<b>547,120</b>	<b>382</b>	<b>243,776</b>	<b>68</b>	<b>45,808</b>	<b>419</b>	<b>257,536</b>	<b>47,578</b>	<b>28,494</b>
									Of which, in year ended 31.3.86	12,301

Note: Some data may not be compatible with figures shown in past Reports. Recent computerisation has produced corrected data.

## APPENDIX 21

## Selective Investment Scheme

TABLE APPLICATIONS AND OFFERS TO 31 MARCH 1986

Region	Applications							
	Received		Rejected or withdrawn		Offers			
	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)	Assistance offered (£'000)	Payments (£'000)
Scotland	41	1,239,179	38	1,039,439	3	199,740	23,400	17,400
Wales	19	317,007	17	176,607	2	140,400	18,750	18,000
North East	26	321,034	20	171,448	6	149,586	14,505	2,630
Yorkshire and Humberside	60	185,406	48	145,765	12	39,641	4,703	4,670
East Midlands	97	318,834	66	209,934	31	108,900	9,793	9,502
South East	188	1,170,222	155	1,095,594	33	74,628	8,358	7,995
South West	63	154,918	47	109,674	16	45,244	3,954	3,486
West Midlands	174	365,341	116	238,836	58	126,505	15,016	13,128
North West	82	558,588	70	408,023	12	150,565	8,611	20,012
Mixed	16	180,384	13	174,484	3	5,900	634	626
Total	766	4,810,913	590	3,769,804	176	1,041,109	107,724	97,449
							Of which, in year ended 31.3.86	1,963

## Innovation-Linked Investment Scheme

TABLE APPLICATIONS AND OFFERS TO 31 MARCH 1986

Region	Applications										
	Received		Rejected or withdrawn		Under consideration		Offers			Payments (£'000)	
	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)	Assistance offered (£'000)		
Scotland	15	3,402	6	1,539	nil	nil	9	1,356	245	76	
Wales	8	489	5	388	nil	nil	3	117	23	13	
Yorkshire and Humberside	20	2,868	14	1,622	nil	nil	6	1,031	206	159	
East Midlands	12	3,121	8	2,697	nil	nil	4	471	94	43	
South East	46	17,922	27	9,896	nil	nil	19	4,604	806	530	
South West	13	3,519	5	1,185	nil	nil	8	1,719	325	193	
West Midlands	20	4,311	11	3,056	1	208	8	813	163	66	
North West	5	1,564	1	105	nil	nil	4	909	176	29	
<b>Total</b>	<b>139</b>	<b>37,196</b>	<b>77</b>	<b>20,488</b>	<b>1</b>	<b>208</b>	<b>61</b>	<b>11,020</b>	<b>2,038</b>	<b>1,109</b>	
										Of which, in year ended 31.3.86	635

Note: Some data may not be compatible with figures shown in past Reports. Recent computerisation has produced corrected data.



## Microelectronics Industry Support Programme 1 (MISP1)

TABLE 1 APPLICATIONS AND OFFERS UNDER THE INDUSTRIAL DEVELOPMENT ACT 1982 TO 31 MARCH 1986

Region	Applications							
	Received		Rejected or withdrawn		Offers			
	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)	Assistance offered (£'000)	Payments (£'000)
Scotland	14	97,535	4	38,060	10	59,475	8,642	8,245
Wales	5	529	nil	nil	5	440	118	105
North East	3	722	1	193	2	529	139	104
East Midlands	28	59,337	1	224	27	53,517	10,747	9,667
South East	48	77,651	19	16,579	29	58,645	13,833	11,629
South West	34	50,443	7	5,655	27	35,379	9,101	7,742
West Midlands	7	3,812	1	225	6	3,411	932	397
North West	61	70,432	1	238	60	65,034	15,535	14,563
Mixed	4	11,398	4	11,398	nil	nil	nil	nil
Total	204	371,859	38	72,572	166	276,430	59,047	52,452
							Of which, in year ended 31.3.86	11,673

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 1986

Region	Applications							
	Received		Rejected or withdrawn		Offers			
	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)	Assistance offered (£'000)	Payments (£'000)
Wales	4	224	1	nil	4	162	45	40
East Midlands	2	5,632	nil	nil	2	5,632	1,371	1,191
South East	10	4,189	1	100	9	4,101	1,328	1,248
South West	5	1,030	1	240	4	789	414	426
North West	10	5,384	nil	nil	10	5,384	1,338	1,290
Total	31	16,459	2	340	29	16,068	4,496	4,195
							Of which, in year ended 31.3.86	96

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

# Computer Aided Design and Test Equipment Support (CADTES)

TABLE APPLICATIONS AND OFFERS TO 31 MARCH 1986

Region	Applications							
	Received		Rejected or withdrawn		Offers			Payments (£'000)
	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)	Assistance offered (£'000)	
Scotland	117	12,912	30	4,559	87	8,350	1,993	1,633
Wales	41	3,705	14	856	27	2,849	732	596
North East	38	4,055	2	187	36	3,865	838	736
Yorkshire and Humberside	109	10,260	20	1,864	89	8,397	2,193	1,906
East Midlands	109	9,306	14	1,403	95	7,902	2,012	1,675
South East	537	53,878	102	13,544	435	40,336	10,927	9,400
South West	109	12,031	23	3,527	86	8,506	1,992	1,514
West Midlands	174	14,482	29	2,789	145	11,693	3,008	2,399
North West	97	12,539	20	2,856	77	9,684	2,222	1,907
Northern Ireland	3	209	nil	nil	3	209	52	47
<b>Total</b>	<b>1,334</b>	<b>133,377</b>	<b>254</b>	<b>31,585</b>	<b>1,080</b>	<b>101,791</b>	<b>25,969</b>	<b>21,813</b>
						Of which, in year ended 31.3.86		3,489

## APPENDIX 25

## Small Engineering Firms Investment Scheme 1

TABLE APPLICATIONS AND OFFERS TO 31 MARCH 1986

Region	Applications							
	Received		Rejected or Withdrawn		Offers			Payments (£'000)
	Number(a)	Project costs(b) (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)	Assistance offered (£'000)	
Scotland	100	6,666	31	2,346	69	4,320	1,440	1,310
Wales	49	3,283	16	1,369	33	1,914	638	491
North East	77	5,159	20	1,094	57	4,065	1,355	1,053
Yorkshire and Humberside	137	9,179	35	1,064	102	8,115	2,705	2,199
East Midlands	127	8,509	28	1,258	99	7,251	2,417	1,971
South East	626	41,875	132	11,929	494	30,042	10,014	8,155
South West	193	12,931	40	3,097	153	9,834	3,278	2,867
West Midlands	355	23,718	81	4,755	274	19,047	6,349	4,768
North West	182	12,194	45	2,063	137	10,131	3,377	2,644
Northern Ireland	36	2,412	8	690	28	1,722	574	532
Total	1,882	125,926	436	29,665	1,446	96,441	32,147	25,990
							Of which, in year ended 31.3.86	2,920

(a) 1757 actual applications were received for either one or two discrete assets. Some applications were subject to two decisions and are represented by these figures.

(b) Estimated

## APPENDIX 26

## Small Engineering Firms Investment Scheme 2

TABLE APPLICATIONS AND OFFERS TO 31 MARCH 1986

Region	Applications							
	Received		Rejected or withdrawn		Offers			Payments (£'000)
	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)	Assistance offered (£'000)	
Scotland	392	22,304	110	6,664	282	15,640	4,285	2,705
Wales	202	9,925	73	4,079	129	5,846	1,543	967
North East	192	9,360	51	2,807	141	6,553	1,742	1,058
Yorkshire and Humberside	459	22,745	114	5,229	345	17,517	5,532	3,719
East Midlands	439	21,027	102	4,942	337	16,084	5,218	3,685
South East	2,412	108,633	517	23,430	1,895	85,203	27,914	19,453
South West	548	25,071	124	5,311	424	19,760	6,365	3,758
West Midlands	990	48,697	246	12,033	744	36,664	11,813	7,442
North West	623	30,034	148	6,818	475	23,216	7,215	4,493
Northern Ireland	158	8,374	39	2,543	119	5,831	1,290	944
Total	6,415	306,170	1,524	73,856	4,891	232,314	72,917	48,224
							Of which, in year ended 31.3.86	5,967

APPENDIX 27

Private Sector Steel Scheme

TABLE APPLICATIONS AND OFFERS TO 31 MARCH 1986

Region	Applications							
	Received		Rejected or withdrawn		Offers			Payments (£'000)
	Number	Project costs (£'000)	Number	Project costs (£'000)	Number	Project costs (£'000)	Assistance offered (£'000)	
Scotland	9	1,864	1	79	8	1,785	637	515
Wales	19	14,293	5	12,222	14	2,071	1,064	1,057
North East	2	1,003	nil	nil	2	1,003	236	132
Yorkshire and Humberside	125	87,581	19	31,848	106	55,733	15,768	14,035
East Midlands	17	9,336	4	6,229	13	3,107	1,113	1,009
South East	12	46,226	5	27,898	7	18,328	4,860	4,421
South West	2	3,294	nil	nil	2	3,294	872	834
West Midlands	39	34,640	12	16,290	27	18,350	5,059	4,627
North West	30	50,607	3	29,426	27	21,181	6,156	5,617
Total	255	248,844	49	123,992	206	124,852	35,765	32,247
							Of which, in year ended 31.3.86	2,753

APPENDIX 28

Assistance to the Shipbuilding Industry

Home Credit Scheme for Shipbuilding

Repayments of £76 million reduced the amount of Government refinanced loans to £8 million in the year to 31 March 1986.

In the same year, payments of interest grant totalled £61.5 million including the discount of £17.7 million referred to in paragraph 41 of the main text. These were made to the banks under the authority of the Industry Act 1975 (Section 25). Interest receipts from the banks on that portion of loans refinanced by the Government amounted to £15,000.

TABLE STATEMENT OF GUARANTEES FOR THE YEAR ENDED 31 MARCH 1986

	Number of Guarantees	Amount of Principal Guaranteed (£'000)
Guarantees current on 1 April 1985	310	1,044,945
Guarantees given in year 1985-86	84	240,085
Repayments in year 1985-86(a)	78	365,090
Guarantees current on 31 March 1986	316	919,940

(a) The figure in the first column is the number of guarantees extinguished by the loan being finally repaid during the year. The figure in the second column takes account of all repayments of principal made during the year on all outstanding loans as well as the fully repaid loans.

## APPENDIX 29

**Assistance to Local Enterprise Agencies and Business Clubs**

TABLE GRANTS PAID IN 1985-86

<i>Organisation</i>	<i>Grant paid (£)</i>
Agency for Economic Development, Moss Lane	500
Basildon and District Local Enterprise Agency	3,000
Blackburn and District Business Club	500
Blackpool and Fylde Business Agency	3,000
Bradford Enterprise Agency	8,000
Brighton Small Business Club	300
Bristol and Avon Enterprise Agency (including Woodspring)	5,000
Burton Enterprise Agency	2,970
Bury Business Club	500
Business Enterprise Exeter	1,500
Business Initiatives, Carlisle	3,000
Chester Enterprise Centre	500
Chorley and Leyland Small Business Club	500
Clitheroe Enterprise Trust	1,000
Colchester and Maldon Business Enterprise Agency	300
Coventry Business Centre	200
Darlington and South West Durham Business Venture	5,000
Doncaster Business Advice Centre	8,000
Dorset Enterprise	2,000
Dudley Business Venture	1,000
Enterprise Agency of East Kent	4,000
The Enterprise Agency (South Somerset and West Dorset)	1,750
Fens Business Enterprise Trust Ltd	3,000
Frome Area Management Enterprise	1,125
Grimsby and Cleethorpes Enterprise Agency	5,000
Hastings Business Ventures	3,000
Herefordshire Enterprise Agency	4,000
Huntingdon Enterprise Agency	1,000
Kesteven and Corby Glen	3,000
Knowsley Small Firms Business Club	500
Mid-Anglian Enterprise Agency	1,500
Mid-Devon Business Club	225
Mid-Devon Enterprise Agency	1,875
North Devon Enterprise Group	1,500
Pendle Enterprise Trust Ltd	2,000
Purbeck Small Industries Group	500
Salford Small Business Club	500
Scarborough, Filey and District Business Development Centre	2,000
Sefton Enterprise Trust Ltd	500
Shropshire Enterprise Trust	1,000
Small Industries Group (Northamptonshire)	3,000
Somerset Small Industries Group	6,000
South Cheshire Opportunity for Private Enterprise (SCOPE)	3,000
South East Northumberland Enterprise Trust	5,000
South Hams Agency for Rural Enterprise	500
South Ribble Business Venture	2,000
Stockport Business Venture	2,000
Swale Enterprise Agency	1,000
Teignbridge Enterprise Agency	500
Thurrock Local Enterprise Agency	2,000
Wansdyke Enterprise Agency	1,500
Warwickshire Enterprise Agency	5,000
West Lancashire Enterprise Trust	3,500
West Norfolk Enterprise Agency Trust	2,000
Whitby Enterprise Agency	8,000
Total	129,745

## 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 1986.

### Industrial Development Advisory Board

#### *Chairman*

Sir Ronald Halstead, CBE

#### *Members*

Dr. A. Frankel  
Mr. P. J. Grant  
Mr. E. A. B. Hammond  
Mr. J. W. Melbourn  
Mr. H. G. Mourgue  
Mr. E. Swainson, CBE  
Mr. S. Thomson  
Mr. A. E. Wheatley

### Scottish Industrial Development Advisory Board

#### *Chairman*

Mr. R. C. Smith, CBE, MA, LL.D., CA

#### *Members*

Mr. Y. Ali, OBE  
Mr. K. Fox  
Mr. T. Johnston, OBE  
Mr. J. Langan  
Mr. J. M. Little, CBE  
Mr. W. Low, CBE, JP  
Mr. D. C. Macgregor  
Mr. D. J. MacLeod, CA  
Mr. A. F. MacLeod-Matthews, OBE, JP  
Mr. A. Merrills, OBE  
Mr. A. K. Smith, CBE

### Welsh Industrial Development Advisory Board

#### *Chairman*

Mr. P. J. Phillips, OBE

#### *Members*

Mr. L. M. Davies, OBE, JP  
Mr. J. James  
Mr. J. Mochan, MBE  
Mr. T. E. Morgan, MBE  
Mr. B. S. Morris  
Mr. P. A. G. Mullens, OBE  
Mr. N. D. Penfold, MBE

### North East Industrial Development Board

#### *Chairman*

Mr. L. R. Mann, OBE

#### *Members*

Mr. B. Appleton  
Mr. E. Bostwick  
Mr. T. Burlison  
Mr. J. Creaby  
Professor W. G. McClelland  
Mr. G. A. McNichol, OBE  
Mr. P. D. Nicholson  
Mrs. J. A. Verdon

### Yorkshire and Humberside and East Midlands Industrial Development Board

#### *Chairman*

Mr. T. McDonald, OBE, FCA

#### *Members*

Mr. P. W. Barker  
Mr. B. Batley  
Mr. P. Birch  
Mr. M. J. Davey  
Mr. E. A. K. Denison, OBE, TD  
Mr. D. W. Ford  
Mr. R. Illingworth  
Mr. J. Lyles  
Miss B. Paton  
Mr. L. H. Silver, OBE  
Mr. L. Teeman, OBE

### South West Industrial Development Board

#### *Chairman*

Mr. K. E. Holmes

#### *Members*

Mr. A. Bennett, MBE, JP  
Mr. E. Dancer  
Mr. A. Dearden  
Mr. J. A. H. Gamble  
Mr. R. J. Harris  
Mr. E. G. Hoare  
Mr. V. Parsons

### West Midlands Industrial Development Board

#### *Chairman*

Mr. E. Swainson, CBE

#### *Members*

Mr. B. W. Baker  
Mr. R. S. Burman  
Mr. A. P. Cant  
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