

Draft Order laid before the House of Commons under section 8(10) of the Industrial Development Act 1982, for approval by resolution of that House.

DRAFT STATUTORY INSTRUMENTS

2007 No. 0000

INDUSTRIAL DEVELOPMENT

The Financial Assistance For Industry
(Increase of Limit) Order 2007

<i>Made</i>	- - - -	2007
<i>Coming into force</i>	- -	2007

The Secretary of State, in exercise of the powers conferred on him by section 8(5) of the Industrial Development Act 1982(1), and with the consent of the Treasury and after consultation with the Welsh Ministers, hereby makes the following Order, a draft of which has been laid before the House of Commons and has been approved by a resolution of that House in accordance with section 8(10) of that Act:

Citation, commencement, and extent

1.—(1) This Order may be cited as the Financial Assistance For Industry (Increase of Limit) Order 2007 and shall come into force on the day after it is made.

(2) This Order extends to the whole of the United Kingdom.

Increase of Limit

2. The limit specified in section 8(5) of the Industrial Development Act 1982(2) shall be increased by the sum of £600 million to £4,300 million.

(1) 1982 c.52 section 8(5) was substituted by section 1 of the Industrial Development (Financial Assistance) Act 2003 c.11, which increased the limit to £3,700 million. As regards Wales, Article 5 and Schedule 2 to the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672) directs that the power of the Secretary of State is exercisable in relation to Wales only after consultation with the National Assembly for Wales constituted under the Government of Wales Act 1998 (c.38). By virtue of paragraphs 30 and 32 of schedule 11 to the Government of Wales Act 2006 c.32, that function was transferred to the Welsh Ministers immediately after the end of the initial period as defined by section 161(5) of that Act. As regards Scotland, the power was transferred to the Scottish Ministers by section 53 of the Scotland Act 1998 (c.46) but remains exercisable by the Secretary of State by virtue of section 56(1) of that Act.

(2) The limit of £3700 million in section 8(5) has not been increased.

Date

Parliamentary Under-Secretary of State for
Employment and Postal Services
Department of Trade and Industry

We consent to the making of this Order

Date

Two of the Lords Commissioners of Her
Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

Section 8 of the Industrial Development Act 1982 makes provision for the Secretary of State to provide financial assistance for industry.

Section 8(4) provides that the aggregate of—

- (a) the sums paid by the Secretary of State under this section or section 8 of the Industry Act 1972 (c.63), other than sums paid in respect of foreign currency guarantees, and
- (b) the liabilities of the Secretary of State under any guarantees given by him under either of those sections (exclusive of any liability in respect of interest on a principal sum so guaranteed and of any liability under a foreign currency guarantee),

less repayments in respect of loans or guarantees (other than foreign currency guarantees) under either section shall not exceed the limit specified in section 8(5).

Section 8(5), which was amended by section 1 of the Industrial Development (Financial Assistance) Act 2003 provides that the limit shall be £3,700 million but the Secretary of State may, on not more than four occasions, by Order made with the consent of the Treasury, increase or further increase that limit by a sum specified in that order not exceeding £600 million.

This is the first occasion that the sum has been increased under the section 8(5) (as amended) of the Industrial Development Act 1982.

This Order increases the limit by £600 million to £4,300 million.

A full regulatory impact assessment has not been produced for this instrument as it has no impact on the cost of business.