
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 fourth occasion that the sum has been increased under the section 8(5) (as amended) of the Industrial Development Act 1982. The limit was first increased under section 8(5) (as amended) by the Financial Assistance For Industry (Increase of Limit) Order 2008 (S.I. 2008/1272) by £600 Million to £4,300 million which came into force on 8 May 2008, then by the Financial Assistance For Industry (Increase of Limit) Order 2009 (S.I. 2009/712) which came into force on 13 March 2009 and by the Financial Assistance For Industry (Increase of limit) (No. 2) Order 2009 (S.I. 2009/****) which came into force on ****.

This Order increases the limit by £600 million to £ 6,100 million.

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