



Development of Tourism Act 1969

1969 CHAPTER 51

PART II

FINANCIAL ASSISTANCE FOR HOTEL DEVELOPMENT

Hotel development grants

7 Grants for provision of new hotels

- (1) Subject to the provisions of this Act, a person who has incurred eligible expenditure in providing a new hotel in Great Britain shall be entitled to receive from the appropriate Tourist Board, after the completion of the hotel, a grant in respect of the eligible expenditure which he has so incurred.
- (2) No grant shall be payable under this section unless the appropriate Tourist Board is satisfied that the hotel in question complies, or as from its opening will comply, with the following requirements, that is to say—
 - (a) that it has not less than ten (or, if it is in Greater London, twenty-five) letting bedrooms and that the sleeping accommodation offered at the hotel consists wholly or mainly of letting bedrooms ;
 - (b) that breakfast and an evening meal are provided at reasonable times on the premises for persons staying at the hotel;
 - (c) that there is on the premises a lounge (whether a room or part of a room) for the common use at all reasonable times of persons staying at the hotel;
 - (d) that hotel services appropriate to the establishment (but including in every case the cleaning of rooms and making of beds) are provided for persons staying at the hotel;
 - (e) that the accommodation is in a building or buildings of a permanent nature.
- (3) For the purposes of this Part of this Act, a hotel shall be treated as complying with the requirements specified in subsection (2) of this section if it complies with them throughout the period in each year between 1st April and 31st October (or throughout

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every part of that period for which the premises are open) even though it does not comply with them at other times.

- (4) The expenditure eligible for grant under this section is approved capital expenditure on constructional work and on the purchase and installation of fixed equipment.

8 Grants for extension or alteration of existing hotels

- (1) Subject to the provisions of this Act, a person who has incurred eligible expenditure in extending or altering an existing hotel in Great Britain shall, if the extension or alteration consists of or includes the provision of not less than five additional letting bedrooms, be entitled to receive from the appropriate Tourist Board, after the completion of the extension or alteration, a grant in respect of the eligible expenditure which he has so incurred.
- (2) No grant shall be payable under this section unless the appropriate Tourist Board is satisfied that on the completion of the extension or alteration the hotel in question complies, or as from its opening thereafter will comply, with the requirements specified in section 7(2) of this Act.
- (3) Where the extension or alteration of a hotel includes, but is not confined to, the provision of letting bedrooms and any such bedroom is provided by the alteration (as distinct from the extension) of existing accommodation in the hotel, no grant shall be payable under this section, unless the appropriate Tourist Board in any case otherwise determines, in respect of expenditure which is not attributable to the provision of the bedrooms and any bathroom or bathrooms appearing to the Board to be provided in association with the bedrooms.
- (4) The expenditure eligible for grant under this section is approved capital expenditure on constructional work and on the purchase and installation of fixed equipment.

9 Grants for provision of certain fixed equipment

- (1) Subject to the provisions of this Act, a person who has incurred approved capital expenditure in purchasing and installing in an existing hotel in Great Britain fixed equipment of a description specified in Schedule 3 to this Act, not being expenditure in respect of which he is entitled to a grant under the foregoing provisions of this Part of this Act, shall be entitled to receive from the appropriate Tourist Board, after the completion of the installation, a grant in respect of the approved capital expenditure which he has so incurred.
- (2) No grant shall be payable under this section unless the appropriate Tourist Board is satisfied that on the completion of the installation of the equipment the hotel in question complies, or as from its opening thereafter will comply, with the requirements specified in section 7(2) of this Act.
- (3) Any grant under this section shall be in respect of the total expenditure eligible for grant under this section which the applicant has incurred in a complete financial year, and no such grant shall be payable to any applicant in respect of any hotel unless the total expenditure eligible for grant under this section which the applicant has incurred in that year in respect of that hotel is £1,000 or more.
- (4) In subsection (3) of this section " financial year " means the period of twelve months ending with 31st March but, in relation to an applicant who so elects, the period beginning with 1st April 1969 and ending with the date of the commencement of this

Act shall be treated as if it formed part of the preceding financial year and not of the financial year ending with 31st March 1970.

10 Recipient of grant to be occupier or lessor of hotel

- (1) No grant shall be payable under the foregoing provisions of this Part of this Act to any person who, at the relevant time, is not either—
- (a) the occupier of the hotel in question, that is to say the person in possession of it; or
 - (b) a lessor of the hotel, that is to say a person who is entitled to an interest in reversion (whether freehold or leasehold) expectant, whether immediately or not, on the termination of a leasehold interest by virtue of which the occupier is in possession.
- (2) Schedule 4 to this Act shall have effect in relation to cases where some or all of the expenditure eligible for a grant under the foregoing provisions of this Part of this Act has been incurred by a predecessor in title of a person who is the occupier or a lessor of the hotel at the relevant time or by a lessor of the hotel who grants a lease for a capital consideration.
- (3) In this section " the relevant time " means—
- (a) in relation to a grant under section 7 of this Act, the time when the hotel in respect of which the grant is to be made is first opened after completion ;
 - (b) in relation to a grant under section 8 or 9 of this Act, the time when the extension, alteration or installation of equipment, as the case may be, in respect of which the grant is to be made is completed or, if the hotel in question is then closed, when it is first opened thereafter,
- except that the relevant time shall be the date of the commencement of this Act in any case in which the time mentioned in paragraph (a) or (b) of this subsection falls before that date.
- (4) In the application of this section to Scotland, for paragraph (b) of subsection (1) there shall be substituted the following paragraph:—
- “(b) a lessor of the hotel, that is to say, in a case where the occupier is in possession of the hotel by virtue of a lease, a person holding the interest of landlord under any lease under which the hotel is let.”

11 Rates of grant

- (1) Subject to subsection (2) of this section, the grant payable under section 7 or 8 of this Act in respect of any expenditure shall be of an amount equal to—
- (a) twenty per cent, of that expenditure; or
 - (b) £1,000 for each letting bedroom in the new hotel or, as the case may be, each additional letting bedroom provided by the alteration or extension of the existing hotel,
- whichever is the less; and the grant payable under section 9 of this Act in respect of any expenditure shall be of an amount equal to twenty per cent, of that expenditure.
- (2) In relation to a grant in respect of a new or existing hotel in an area which is a development area—

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- (a) at the time of the making of the contract or contracts under which the expenditure (or the main part of the expenditure) eligible for grant was incurred ; or
 - (b) at the time when the relevant work was begun,
- subsection (1) of this section shall have effect with the substitution for the references to twenty per cent, and £1,000 of references to twenty-five per cent, and £1,250 respectively.
- (3) In subsection (2) of this section " development area" means an area specified as such under subsection (2) of section 15 of the Industrial Development Act 1966 and includes any such locality outside that area as is specified in subsection (6) of that section.
 - (4) In paragraph (b) of subsection (2) of this section " the relevant work " means work on the site in question for the purpose of providing the new hotel, extending or altering the existing hotel or installing fixed equipment in the existing hotel, as the case may be ; and for the purposes of that paragraph no account shall be taken of work for the purpose of clearing the site or erecting temporary fencing for it.
 - (5) Where a grant has been paid under section 7 or 8 of this Act in respect of the provision of a new hotel or the extension or alteration of an existing hotel, no grant shall be payable under section 9 of this Act in respect of the purchase and installation of any equipment if the appropriate Tourist Board considers that the purchase and installation of that equipment ought properly to be regarded as part of the provision of the hotel or of that extension or alteration, as the case may be.
 - (6) Where two or more persons are entitled to grants under section 7 or 8 of this Act in respect of expenditure incurred by them in providing a particular new hotel or in carrying out a particular alteration or extension of an existing hotel, the total amount of the grants shall be calculated as for a single grant in respect of the total of the expenditure incurred by those persons and that total shall be apportioned between the grants by reference to the amount of the expenditure which each recipient has incurred.

12 Conditions of grant

- (1) In making a grant under this Part of this Act a Tourist Board may, subject to any directions under section 19 of this Act, impose such conditions as it thinks fit.
- (2) Conditions imposed under this section may provide for the repayment of a grant in specified circumstances and, in particular, if the number of letting bedrooms in the hotel in question is reduced or the hotel ceases to comply with the requirements mentioned in section 7(2) of this Act before the expiration of such period as may be specified in the conditions; and different periods may be so specified in different classes of case.
- (3) Schedule 2 to this Act shall have effect for securing compliance with conditions imposed under this section.

Loans for hotel development

13 Power to make loans

- (1) Subject to the provisions of this Act and to any directions under section 19 thereof, the appropriate Tourist Board may, if it thinks fit, make a loan or loans to any person for assisting him—
 - (a) to provide a new hotel in Great Britain ; or
 - (b) to extend or alter an existing hotel in Great Britain or to provide and install fixed equipment in any such hotel,where it appears to the Board that the total eligible expenditure incurred or to be incurred by him in carrying out the project in question exceeds, in a case within paragraph (a) of this subsection, £20,000 or, in a case within paragraph (b) of this subsection, £10,000.
- (2) No loan shall be made under this section unless the appropriate Tourist Board is satisfied that the hotel in question complies or will comply, on the completion of the project or as from its opening thereafter, with the requirements specified in section 7(2) of this Act.
- (3) Subject to subsection (4) of this section, the total amount lent under this section in respect of any project shall not exceed—
 - (a) the following percentage of the eligible expenditure incurred or to be incurred on the project, that is to say—
 - (i) in the case of a project within subsection (1)(a) of this section, thirty per cent.;
 - (ii) in any other case, fifty per cent.; or
 - (b) £500,000,whichever is the less.
- (4) If the relevant Minister is satisfied by the appropriate Tourist Board that a particular project within subsection (1)(a) of this section will not be carried out unless the total amount lent exceeds the amount permitted by subsection (3) of this section, he may, with the consent of the Treasury, authorise the Board to make loans in respect of that project to such total amount in excess of the amount so permitted as may be specified by him, but the total amount so specified shall not exceed what would be permitted by the said subsection (3) if the percentage mentioned in paragraph (a)(i) thereof were forty per cent.
- (5) Subject to any directions under section 19 of this Act, a loan under this section shall be made on such terms and conditions as the Tourist Board concerned may determine, but the period within which any such loan is to be repaid shall not exceed twenty years in a case within subsection (1)(a) of this section or fifteen years in any other case.
- (6) In this section " eligible expenditure " means approved capital expenditure on constructional work and on the purchase and installation of fixed equipment.

Supplementary provisions

14 General restrictions on the making of grants and loans

- (1) No grant or loan shall be made under this Part of this Act to a local authority, and no loan shall be so made to, or to a subsidiary of, any body established by or under any enactment for the purpose of carrying on under national ownership any industry or undertaking or part of an industry or undertaking.
- (2) In the foregoing subsection " local authority " means—
 - (a) in relation to England and Wales, any authority being, within the meaning of the Local Loans Act 1875, an authority having power to levy a rate, and includes a joint board or joint committee of such authorities;
 - (b) in relation to Scotland, any county council, town council or district council, and any statutory authority, commissioners or trustees having power to levy a rate as defined in section 379 of the Local Government (Scotland) Act 1947 or to issue a requisition for payment of money to be raised out of such a rate and includes any joint board or joint committee of such authorities appointed under any enactment, order or scheme;

and " subsidiary " means a subsidiary as defined by section 154 of the Companies Act 1948.
- (3) A Tourist Board shall not without the consent of the relevant Minister and the Treasury make a grant or loan under this Part of this Act in respect of any project if it appears to the Board that financial assistance from public funds (whether by way of grant or loan) otherwise than under this Part of this Act has already been accepted in respect of capital expenditure incurred or to be incurred in the execution of that project or of any larger project of which it forms part.
- (4) Where it appears to the appropriate Tourist Board that any expenditure has been incurred—
 - (a) partly for the purpose of providing a new hotel or for any other purpose in relation to which a grant or loan can be made under this Part of this Act; and
 - (b) partly for other purposes,

so much of the expenditure as, in the opinion of the Board, is attributable to those other purposes shall be disregarded for the purposes of any such grant or loan and the Board shall make all such apportionments as may be required for giving effect to this subsection.

15 Period of eligibility

- (1) Subject to the provisions of this section, a Tourist Board shall not make a grant or loan under this Part of this Act except on an application received by it before 1st April 1973 and unless satisfied that the relevant work—
 - (a) was begun not earlier than 1st April 1968 and not later than 31st March 1971 ; and
 - (b) has been, or in the case of a loan has been or will be, completed not later than 31st March 1973.
- (2) Paragraph (b) of subsection (1) of this section shall not prevent the making of a grant or loan in any case in which the Tourist Board is satisfied that the relevant work would have been completed as required by that paragraph but for circumstances outside the

applicant's control and that the work has been, or in the case of a loan has been or will be, completed with reasonable despatch thereafter.

- (3) In this section " the relevant work " means work on the site in question for the purpose of providing the new hotel, extending or altering the existing hotel or installing fixed equipment in the existing hotel, as the case may be; and for the purposes of subsection (1)(a) of this section no account shall be taken of work for the purpose of clearing the site or erecting temporary fencing for it.
- (4) If in any case it appears to the Tourist Board concerned that although the relevant work was not begun before 1st April 1968 other work had then already been carried out on the site in question in the execution of a project to which the relevant work is also referable, this section shall have effect in relation to that case as if the relevant work had been begun before that date.

16 Interpretation of Part II

- (1) In this Part of this Act—

" the appropriate Tourist Board " means, in relation to England, the English Tourist Board, in relation to Scotland, the Scottish Tourist Board and, in relation to Wales, the Wales Tourist Board ;

" approved capital expenditure ", in relation to any grant or loan, means expenditure appearing to the Tourist Board concerned to be of a capital nature and approved by it for the purposes of the grant or loan ;

" building " includes part of a building;

" expenditure on constructional work " includes expenditure in respect of professional fees (other than legal fees) and other matters incidental to the carrying out of the work;

" fixed equipment " means equipment, including furniture, which in the opinion of the Tourist Board concerned is fixed to, or incorporated in, a building in such a manner as not to be easily detachable therefrom;

" letting bedroom " means a private bedroom which—

- (a) if booked in advance, does not have to be so booked for more than seven consecutive nights; and
- (b) if not so booked, can be taken, if desired, for a single night; and which is not normally in the same occupation for more than twenty-one consecutive nights ;

" purchase ", in relation to any equipment, includes purchase under a hire-purchase agreement within the meaning of the Hire-Purchase Act 1965 or, as the case may be, the Hire-Purchase (Scotland) Act 1965.

- (2) For the purposes of this Part of this Act an establishment shall not be treated as a hotel unless its services and facilities are offered to the public generally, that is to say, to any person who wishes to avail himself of, and appears able and willing to pay a reasonable sum for, those services and facilities and is in a fit state to be received.
- (3) In this Part of this Act references to providing a new hotel include references to providing it by converting into a hotel a building or buildings previously used for a different purpose.
- (4) For the purposes of this Part of this Act a person who instead of purchasing any fixed equipment for installation in a hotel manufactures it himself shall be treated as having

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purchased it for such sum as appears to the Tourist Board concerned to be properly attributable to its manufacture by him.

- (5) For the purposes of this Part of this Act expenditure shall be treated as incurred at the time when the sum of which it consists becomes payable or, in the case of expenditure not consisting of a sum payable to another person, at such time as the Tourist Board concerned considers appropriate having regard to the time when the matters giving rise to the expenditure occurred.