



# Industry Act 1972

## 1972 CHAPTER 63

An Act to authorise grants towards expenditure on the provision of assets for industry in certain regions in Great Britain, to authorise the provision of financial assistance for industry in those regions or elsewhere, and provisions about credits and grants for the building of ships and of offshore installations, to amend the Local Employment Act 1972 and to make temporary provision as to one of the areas to be treated as a development area under that Act; and for connected purposes. [9th August 1972]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

### PART I

#### REGIONAL DEVELOPMENT GRANTS

#### **1 Grants for buildings, machinery, plant and certain works**

- (1) The Secretary of State may make a grant to a person towards approved capital expenditure incurred by that person, being expenditure of any description in column 1 of the Table below.
- (2) The amount of a grant under this section shall be the prescribed percentage of the expenditure in respect of which it is made.
- (3) Subject to any order under section 3 of this Act, the prescribed percentage shall be that specified in column 2 of the Table below.

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TABLE

Expenditure incurred in	Prescribed percentage
1. Providing a building as part of, or providing works on, qualifying premises in—	
(a) a development area	If the qualifying premises are in a special development area: 22 per cent. If not: 20 per cent.
(b) an intermediate area	20 per cent.
(c) in the case of a building or any works provided before 22nd March 1974, a derelict land clearance area.	20 per cent.
2. (1) Providing new machinery or plant for use in qualifying premises in a development area. (2) Providing mining works for use in a development area.	} If the qualifying premises or mining works are in a special development area: 22 per cent. } If not: 20 per cent.
3. Providing new machinery or plant for use in a development area in activities which are within Order XX of the Standard Industrial Classification (construction industry).	20 per cent.

- (4) For the purposes of this section the Secretary of State may by order designate a development area or any part of it as a special development area, and, in exercising his powers under this subsection, the Secretary of State shall have regard to all the circumstances actual and expected, including the state of employment and unemployment, population changes, migration and the objectives of regional policies.
- (5) An order under this section may describe a special development area by reference to employment exchange areas, that is to say areas for which an employment exchange has been established for the purposes of the Employment and Training Act 1948; and any reference in such an order to a named employment exchange area shall be construed as a reference to that area as it exists on the date on which the order comes into force.
- (6) Subject to the provisions of paragraph 1 of Schedule 2 to this Act, grants may be made under this Part of this Act in respect of expenditure defrayed on or after 22nd March 1972, and the power conferred by subsection (4) above shall include power to specify special development areas for the purpose of grant payable in accordance with this Part of this Act in respect of assets provided before the passing of this Act (and before the making of the order).

## 2 **Qualifying premises**

- (1) In this Part of this Act " qualifying premises " means premises which are for the time being used wholly or mainly for qualifying activities.
- (2) For the purposes of this section " qualifying activities " means—

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- (a) activities which are described in any of the minimum list headings in Orders II to XX (inclusive) in the Standard Industrial Classification (manufacturing, mining and construction), and
  - (b) the processing of scrap and waste materials, and
  - (c) scientific research relating to any other qualifying activity, and
  - (d) the repair or maintenance of any machinery or plant designed for use in any manufacturing or mining process, or in the processing of scrap and waste materials, or in any activity described in heading 500 of the Standard Industrial Classification (construction of buildings, roads and bridges), and
  - (e) repairs of the kinds described in heading 370 (ship building and marine engineering), 383 (aerospace equipment manufacturing and repairing), 384 and 385 (locomotives, rolling stock and railway equipment) and 500 (buildings, roads and bridges) in the Standard Industrial Classification, whether or not also within paragraph (d) above, together with the maintenance of anything the repair of which is included in this paragraph, and
  - (f) the training of staff for work in any other qualifying activity.
- (3) The Standard Industrial Classification shall be used for the purposes of this section, and of any other provision of this Act, without taking account of the way in which that Classification is applied, whether or not in pursuance of any other Act of Parliament, for any other purpose, and without regard to any ancillary or associated activities, such as—
- (a) office work, including accountancy, audit, advertising and market research,
  - (b) haulage,
  - (c) sales and distribution,
  - (d) storage,
  - (e) production and distribution of energy and heating,
- which, though not mentioned in a particular minimum list heading, may be classified for statistical purposes along with the activities which are so mentioned; and the reference in heading 499(2) of the Standard Industrial Classification to " all other manufacturing industries not elsewhere specified " shall be taken as a reference to all manufacturing activities not elsewhere specified without the remaining activities in the industry in question.
- (4) Subject to paragraphs (d) and (e) of subsection (2) above, the repair or maintenance of any articles shall not be a qualifying activity, and in the case of the activities described in the said Classification, other than those mentioned in the said paragraph (e), this subsection applies whether or not repair or maintenance is mentioned in the Classification.
- (5) The Secretary of State may give directions, which may be general directions or directions concerning a particular case, as respects the determination of—
- (a) any question as to the classification of an asset as between the following categories, that is, machinery or plant, buildings, works other than mining works, and mining works,
  - (b) any question whether two or more different buildings or areas are, or are not, to be regarded as forming part of the same premises,
  - (c) any question whether different parts of a building are, or are not, to be regarded as forming part of the same premises, and any question as to the apportionment of the expenditure incurred in providing a building between the parts of the building which are, and are not, qualifying premises, or

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- (d) any question whether premises are being used, or used wholly or mainly, for any qualifying activities, or other specified activities.
- (6) If, on a request by an applicant for grant, the applicant satisfies the Secretary of State that any land or building is near to and held together with premises which are being used for qualifying activities, he may direct that the land or building shall be treated as forming part of those premises.
- (7) Where premises are partly in, and partly outside, an assisted area, they shall be regarded for the purposes of this Part of this Act as in an assisted area—
  - (a) if the larger part of the premises is in an assisted area, or if the qualifying activities there carried on are mainly carried on in an assisted area, or
  - (b) if the Secretary of State so directs in any case or class of case,and corresponding provisions shall be applied as respects premises which are partly in one category of assisted area, and partly in another, and as respects mining works for use partly in a development area and partly elsewhere.
- (8) For the purposes of this Part of this Act an asset is provided as part of, or on, or for use in, qualifying premises if in the opinion of the Secretary of State the premises are or will be qualifying premises when the asset is provided.

### **3 Variation of rates of grant and qualifying activities**

- (1) The Secretary of State may, with the consent of the Treasury, by order vary all or any of the percentages specified in the Table in section 1 of this Act.
- (2) The Secretary of State may, with the consent of the Treasury, by order—
  - (a) add to, exclude or vary all or any of the descriptions of qualifying activities in the last preceding section, or vary the description of activities in head 3 of the Table in section 1 of this Act, or
  - (b) amend the definition of the Standard Industrial Classification in this Part of this Act by the substitution for the reference to the edition of that publication there specified of a reference to any later edition thereof, or by providing for any such reference to include a reference to any specified list of amendments to the edition in question published by Her Majesty's Stationery Office.

### **4 Conditions**

- (1) In making a grant under this Part of this Act the Secretary of State may impose such conditions as he thinks fit.
- (2) The Secretary of State may in particular impose a condition for repayment of all or any part of a grant in any circumstances, and in particular—
  - (a) if the asset in respect of which the grant is paid is not used, or ceases to be used, in the way specified in the condition, or
  - (b) if the premises cease to be qualifying premises.
- (3) Schedule 1 to this Act shall have effect for supplementing the provisions of this section about the imposition of conditions.

## **5 Supplemental**

- (1) An application for grant under this Part of this Act shall be made within such time, and in such form or manner, and shall contain such particulars and be accompanied by such documents, as the Secretary of State may direct.
- (2) A grant under this Part of this Act may be made at any time after the time when, in the opinion of the Secretary of State, the asset is provided, or the expenditure is defrayed, whichever is the earlier.
- (3) Any power conferred by this Part of this Act to make orders includes power to vary or revoke any order previously made in the exercise of that power.
- (4) An order under this Part of this Act may contain such incidental and supplemental provisions as appear to the Secretary of State to be appropriate, including, in the case of an order under section 3 (2) (a) of this Act, amendments of subsections (2), (3) and (4) of section 2 of this Act.
- (5) Any power conferred by this Part of this Act to make orders shall be exercisable by statutory instrument and, except where subsection (6) below applies to the order, the statutory instrument shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (6) The Secretary of State shall not make an order under this Part of this Act which varies all or any of the percentages specified in the Table in section 1 of this Act (whether or not it also provides for other matters) unless a draft of the order has been approved by a resolution of each House of Parliament.

## **6 Interpretation of Part I**

- (1) For the purposes of this Part of this Act " building " includes part of a building, and a building may be provided by the adaptation of an existing one, or by the purchase of a new one, that is to say one not previously occupied, or, if previously occupied, then only by the purchaser, and only as part of arrangements made in contemplation of purchase.
- (2) In this Part of this Act, unless the context otherwise requires—
  - " approved capital expenditure ", in relation to any grant, means expenditure appearing to the Secretary of State to be of a capital nature, and approved by him for the purposes of the grant,
  - " asset " includes any mining works, and any works other than mining works,
  - " assisted area " means a development area, an intermediate area or a derelict land clearance area,
  - " capital expenditure ", or expenditure of a " capital nature ", includes the capital element in expenditure consisting of instalments under a hire-purchase agreement or otherwise consisting of instalments of, or payments towards, the purchase price of, or cost of providing, the asset in question,
  - " derelict land clearance area " means an area for the time being specified as such by an order made or having effect under section 8(6) of the Local Employment Act 1972,
  - " expenditure "—

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- (a) in relation to an asset which is provided by being installed in a building or on a site, includes expenditure on or incidental to the installation of the asset,
- (b) in relation to an asset provided by being manufactured or constructed by any person, includes such sum as appears to the Secretary of State to be properly attributable to its provision by that person in that manner, and the sum so attributed shall be treated as having been paid at such time as the Secretary of State may direct,

" hire-purchase agreement " has the same meaning as in the Hire-Purchase Act 1965 or, as the case may be, the Hire-Purchase (Scotland) Act 1965,

" machinery or plant " includes part of any machinery or plant, but does not include anything forming part of mining works, or a pipe-line, or any vehicle except—

- (a) a vehicle constructed or adapted for the conveyance of a machine incorporated in or permanently attached to it, or
- (b) a vehicle constructed or adapted for the conveyance or haulage of loads,

but a vehicle shall not be eligible for grant under this Part of this Act unless its use for the conveyance or haulage of loads is exclusively in or about private premises, including the site of building or civil engineering operations,

" mining works " means works, or part of any works, constructed for the carrying on of any process for or incidental to the searching for, or extracting or getting of, coal, oil, natural gas or other minerals, brine (but not water) or peat, but excluding any road, track, pipe or other works for conveying minerals, or brine or peat, from the site at which they have been extracted or got,

" new " in relation to machinery or plant, means unused,

" pipe-line " has the meaning given by section 65 of the Pipe-lines Act 1962, but excludes anything which, for the purpose of any provision of that Act, is excluded by section 60 or section 61 of that Act,

" qualifying premises " has the meaning given by section 2 of this Act,

" scientific research " means any activity in the fields of natural or applied science for the extension of knowledge,

" special development area " means any such part of a development area as is to be treated as a special development area by virtue of section 1(4) of this Act,

" Standard Industrial Classification " means, subject to section 3 of this Act, the revised edition published by Her Majesty's Stationery Office in 1968 of the publication of that name prepared by the Central Statistical Office,

" works ", except in the expression ' mining works ', includes part of any works, but does not include anything forming part of mining works or a pipe-line, or any machinery or plant, or anything forming part of, or of foundations for, machinery or plant.

- (3) Where in the case of any minimum list heading in Orders III to XIX of the Standard Industrial Classification the title of the heading is not accompanied by a description of the industries or services included therein, the heading shall be construed as referring only to the manufacture of the goods specified in that title.

## PART II

### FINANCIAL ASSISTANCE FOR INDUSTRY

#### 7 Selective financial assistance for industry in assisted areas

- (1) For the purposes set out in the following provisions of this section the Secretary of State may, with the consent of the Treasury, provide financial assistance where, in his opinion—
  - (a) the financial assistance is likely to provide, maintain or safeguard employment in any part of the assisted areas, and
  - (b) the undertakings for which the assistance is provided are or will be wholly or mainly in the assisted areas.
- (2) The purposes mentioned in subsection (1) of this section are—
  - (a) to promote the development or modernisation of an industry,
  - (b) to promote the efficiency of an industry,
  - (c) to create, expand or sustain productive capacity in an industry, or in undertakings in an industry,
  - (d) to promote the reconstruction, reorganisation or conversion of an industry or of undertakings in an industry,
  - (e) to encourage the growth of, or the proper distribution of undertakings in, an industry,
  - (f) to encourage arrangements for ensuring that any contraction of an industry proceeds in an orderly way.
- (3) Subject to the following provisions of this section, financial assistance under this section may be given on any terms or conditions, and by any description of investment or lending or guarantee, or by making grants, and may, in particular, be—
  - (a) investment by acquisition of loan or share capital in any company, including an acquisition effected by the Secretary of State through another company, being a company formed for the purpose of giving financial assistance under this Part of this Act,
  - (b) investment by the acquisition of any undertaking or of any assets,
  - (c) a loan, whether secured or unsecured, and whether or not carrying interest, or interest at a commercial rate,
  - (d) any form of insurance or guarantee to meet any contingency, and in particular to meet default on payment of a loan, or of interest on a loan, or non-fulfilment of a contract.
- (4) Financial assistance shall not be given under this section in the way described in subsection (3Ma) above unless the Secretary of State is satisfied that it cannot, or cannot appropriately, be so given in any other way, and the Secretary of State, in giving financial assistance in the way so described, shall not acquire any shares or stock in a company without the consent of that company.
- (5) Where financial assistance is given under this section by acquiring shares or stock in a company, the Secretary of State shall dispose of the shares or stock as soon as, in his opinion, it is reasonably practicable to do so; and before making the disposal the Secretary of State shall consult the company.

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- (6) In this section " industry ", unless the context otherwise requires, includes any description of commercial activity, and references to an industry include references to any section of an industry.
- (7) In this section " the assisted areas " means the development areas, the intermediate areas and Northern Ireland.

## **8 Selective financial assistance: general powers**

- (1) For the purposes set out in subsection (2) of the last preceding section the Secretary of State may, with the consent of the Treasury, provide financial assistance where, in his opinion—
  - (a) the financial assistance is likely to benefit the economy of the United Kingdom, or of any part or area of the United Kingdom, and
  - (b) it is in the national interest that the financial assistance should be provided on the scale, and in the form and manner, proposed, and
  - (c) the financial assistance cannot, or cannot appropriately, be so provided otherwise than by the Secretary of State.
- (2) Financial assistance under this section may, subject to the following provisions of this section, be given in any of the ways set out in subsection (3) of the last preceding section.
- (3) Financial assistance shall not be given under this section in the way described in subsection (3)(a) of the last preceding section unless the Secretary of State is satisfied that it cannot, or cannot appropriately, be so given in any other way, and the Secretary of State, in giving financial assistance in the way so described—
  - (a) shall not acquire any shares or stock in a company without the consent of that company, and
  - (b) shall not acquire more than half, by nominal value, of the equity share capital of any company.
- (4) Where financial assistance is given under this section by acquiring shares or stock in a company the Secretary of State shall dispose of the shares or stock as soon as, in his opinion, it is reasonably practicable to do so; and before making the disposal the Secretary of State shall consult the company.
- (5) The Secretary of State shall not, after 31st December 1977, make, or undertake to make, a payment by way of financial assistance under this section, but this subsection shall not prevent the making of a payment in pursuance of an undertaking given within the time allowed by this subsection.
- (6) The aggregate of—
  - (a) the sums paid by the Secretary of State under this section, plus
  - (b) the liabilities of the Secretary of State under any guarantees given by him under this section (exclusive of any liability in respect of interest on a principal sum so guaranteed),
 less any sum received by the Secretary of State by way of repayment of loans under this section, or repayment of principal sums paid to meet a guarantee under this section, shall not at any time exceed the limit specified in subsection (7) below.
- (7) The said limit shall be £150 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 the order, being a sum not exceeding £100 million.

An order under this subsection shall be contained in a statutory instrument, and such an order shall not be made unless a draft of the order has been approved by a resolution of the Commons House of Parliament.

- (8) The sums which the Secretary of State pays or undertakes to pay by way of financial assistance under this section in respect of any one project shall not exceed £5 million, except so far as any excess over the said sum of £5 million has been authorised by a resolution of the Commons House of Parliament:

Provided that this subsection shall not apply where the Secretary of State is satisfied that the payment or undertaking is urgently needed at a time when it is impracticable to obtain the approval of the Commons House of Parliament; and in that case the Secretary of State shall lay a statement concerning the financial assistance before each House of Parliament.

## **9 Industrial Development Advisory Board**

- (1) The Secretary of State shall appoint a board, which shall be called the Industrial Development Advisory Board, to advise him with respect to the exercise of his functions under sections 7 and 8 of this Act.
- (2) The Board shall consist of a chairman and not less than six nor more than twelve other members.
- (3) The members of the Board shall include persons who appear to the Secretary of State to have wide experience of, and to have shown capacity in, industry, banking, accounting and finance.
- (4) If the Board make a recommendation with respect to any matter at the request of the Secretary of State and the Secretary of State exercises his functions under sections 7 and 8 of this Act contrary to their recommendation, he shall, if the Board so request, lay a statement as to the matter before Parliament.

## **PART III**

### **CREDITS AND GRANTS FOR CONSTRUCTION OF SHIPS AND OFFSHORE INSTALLATIONS**

## **10 Construction credits**

- (1) Subject to the provisions of this section, the Secretary of State may, with the consent of the Treasury, guarantee the payment by any person who is an individual resident in, or a body corporate incorporated under the law of any part of, the United Kingdom, any of the Channel Islands or the Isle of Man of any sum payable by that person in respect of principal or interest under arrangements (whether by way of loan, or otherwise) entered into by that person for the purpose of financing the construction to the order of that person in the United Kingdom of a ship or mobile offshore installation of the qualifying size, and its equipment to his order.
- (2) The aggregate of the liability at any time of the Secretary of State under guarantees given by him under this section and section 7 of the Shipbuilding Industry Act 1967 (which is superseded by this section) shall not exceed the limit specified in

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subsection (3) below less the amount of any sums which have been paid by the Secretary of State to meet a liability falling within subsection (1) of this section or the said section 7 and have not been repaid to him.

- (3) The said limit shall be £1,000 million, but the Secretary of State may by order made with the consent of the Treasury increase or further increase that limit to any sum not exceeding £1,400 million.
- (4) An order under this section shall be contained in a statutory instrument, and such an order shall not be made unless a draft of the order has been approved by a resolution of the Commons House of Parliament.
- (5) The Secretary of State may make a loan to any person who is the creditor in respect of a sum the payment of which has been guaranteed by the Secretary of State under this section or section 7 of the Shipbuilding Industry Act 1967.
- (6) The aggregate amount of loans outstanding under subsection (5) above shall not at any time exceed the aggregate of the liability of the Secretary of State at that time in respect of guarantees given under this section and section 7 of the Shipbuilding Industry Act 1967 less the amount of any sums which have been paid by the Secretary of State to meet a liability falling within subsection (1) of this section or the said section 7 and have not been repaid to him.
- (7) A guarantee or loan under this section shall be given or made on such terms and conditions as may, with the approval of the Treasury, be specified in any relevant agreement.
- (8) References in this section to the liabilities of the Secretary of State do not include any liability in respect of interest on any principal moneys the payment of which is the subject of any guarantee given under this section or section 7 of the Shipbuilding Industry Act 1967.
- (9) In this section " construction" includes the completion of a partially constructed ship or installation.

## **11 Construction grants**

- (1) Subject to the provisions of this section, the Secretary of State may make a grant to any person who has entered into a contract to construct a ship or mobile offshore installation in the United Kingdom and to equip it, if in the opinion of the Secretary of State—
  - (a) it has been constructed in the United Kingdom ;
  - (b) its construction on the berth commenced before 1st January 1975;
  - (c) it has been delivered on or after 1st January 1972 by the person who contracted to construct it to the person entitled to receive it under the contract;
  - (d) it is of the qualifying size.
- (2) For the purpose of calculating the amount of grant under subsection (1) above in respect of a ship or installation, the interval between the commencement of construction on the berth and the date of delivery shall be divided, subject to subsection (4) below, into five equal periods, and the contract price shall be treated as if it had been payable in the following percentages on the following dates, namely—
  - (a) on the date of commencement of construction on the berth, 10 per cent.;

- (b) on the date on which the four successive periods respectively commence, the following percentages, namely—
    - (i) 15 per cent.;
    - (ii) 20 per cent.;
    - (iii) 25 per cent.;
    - (iv) 20 per cent. ;
  - (c) on the date of delivery, 10 per cent.
- (3) Grant may be paid where any percentage of the contract price of a ship or installation falls to be treated under subsection (2) above as payable in 1972, 1973 or 1974, and the rate of grant shall be the following percentages of the sum so treated, namely—
  - (a) if the relevant year is 1972, 10 per cent.;
  - (b) if the relevant year is 1973, 4 per cent. ;
  - (c) if the relevant year is 1974, 3 per cent.
- (4) In any case where the interval between the commencement of construction on the berth and the date of delivery is not a number of days which is a multiple of five, the reference to five equal periods in subsection (2) above shall be taken to be a reference to five periods each consisting of a whole number of days determined by the Secretary of State, and of equal length so far as possible.
- (5) In calculating the amount of grant the Secretary of State may deduct from the contract price any such amount as in his opinion is attributable to equipment for the ship or installation in respect of which he considers (for any reason) that grant ought not to be paid.
- (6) The Secretary of State may make payments on account of grant under this section to a person who has entered into a contract to construct a ship or installation in the United Kingdom and to equip it, if construction on the berth has commenced and it appears to the Secretary of State that grant will ultimately be payable under this section in respect of it.
- (7) The references in subsections (1) and (6) above to a person who has entered into a contract to construct a ship or installation include references to a person who has entered into a contract to complete a partially constructed ship or installation, but in relation to such a ship or installation the Secretary of State may determine the amount of the grant in such manner as is in his opinion appropriate in all the circumstances.
- (8) The Secretary of State may make the payment of a grant subject to such conditions as he thinks fit, and may impose a condition for repayment of all or any part of a grant in any circumstances; and Schedule 1 to this Act shall have effect for supplementing this subsection.
- (9) No grant shall be paid under this section—
  - (a) in respect of any ship which on its delivery forms part of Her Majesty's Navy in the right of Her Government in the United Kingdom or is held by any person on behalf of or for the benefit of Her Majesty in that right;
  - (b) to an undischarged bankrupt or his trustee, or to a company in respect of which a winding up order has been made or a resolution for winding up has been passed.
- (10) An application for grant shall be made within such time and in such form or manner, and shall contain such particulars, and be accompanied by such documents, as the Secretary of State may direct.

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- (11) In this section, in relation to a ship or installation—
- " commencement of construction on the berth " means commencement of construction on the berth or in any other place from which it is launched;
  - " contract price " means the price payable under the contract for its construction and equipment;
- and any question as to what constitutes the commencement of construction on the berth or what is the contract price shall be determined by the Secretary of State.

## 12 Interpretation of Part III

- (1) In this Part of -this Act—
- " equipment ", in relation to a ship or installation, means the installation on or in it, or the provision for it. of fixed or movable equipment, or apparatus or furnishings of any kind;
  - " mobile offshore installation " means any installation which is intended for underwater exploitation of mineral resources or exploration with a view to such exploitation and can move by water from place to place without major dismantling or modification, whether or not it has its own motive power;
  - " ship " includes every description of vessel used in navigation.
- (2) For the purposes of this Part of this Act—
- (a) a ship other than a tug is of the qualifying size if its gross tonnage, ascertained in accordance with regulations under section 1 of the Merchant Shipping Act 1965, is not less than 100 tons ;
  - (b) a tug is of the qualifying size if it is of not less than 500 brake horsepower;
  - (c) an installation is of the qualifying size if it weighs not less than 100 tons excluding fuel and water.

## PART IV

### MISCELLANEOUS AND SUPPLEMENTARY PROVISIONS

## 13 Amendments of Local Employment Act 1972

- (1) For subsections (1) to (3) of section 1 of the Local Employment Act 1972 there shall be substituted the following subsections.—
- (1) For the purposes of this Act, and of any other enactment referring to development areas or intermediate areas under this Act, the Secretary of State may by order specify any area of Great Britain as—
    - (a) a development area, or
    - (b) an intermediate area.
  - (2) In exercising his powers under this section the Secretary of State shall have regard to all the circumstances actual and expected, including the state of employment and unemployment, population changes, migration and the objectives of regional policies.”
- (2) In the said section 1 subsections (5), (6) and (7) (additions to development areas and intermediate areas) shall cease to have effect, but any locality which at the passing of

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this Act is by virtue of those provisions included in a development area or intermediate area shall thereafter be deemed for all purposes to be part of that area as if included therein by an order under subsection (1) of the said section 1, but subject to any subsequent order under that subsection.

- (3) In the said Act sections 3 and 4 (which are superseded by Parts I and II of this Act respectively) and section 15 (additional powers for safeguarding loans) shall cease to have effect.
- (4) The provisions of section 2 of the said Act (which restrict the purposes for which the powers given by the said sections 3 and 4, and those given by sections 5 and 6 of that Act, may be exercised) shall cease to apply to the said sections 5 and 6.
- (5) For subsections (1) and (2) of section 8 of the said Act (derelict land) there shall be substituted the following subsection :—
  - (1) Where in the case of any land in a development area or intermediate area it appears to the appropriate Minister—
    - (a) that the land is derelict, neglected or unsightly, and
    - (b) that steps should be taken for the purpose of enabling the land (in this section referred to as " the derelict land ") to be brought into use, or of improving its appearance,the powers conferred by subsection (3) of this section shall be exercisable by the said Minister.”
- (6) In section 11 of the said Act after subsection (1) there shall be inserted the following subsections:—
  - “(1A) Each of the corporations shall have power, with the consent of the Secretary of State, to manage or develop land on behalf of any local authority or new town corporation (whether or not situated in a development area or intermediate area).
  - In this subsection " new town corporation" means a development corporation or the Commission for the New Towns.
  - (1B) The Secretary of State may give his consent under subsection (1A) above subject to such restrictions, exceptions and conditions as he may from time to time determine, and the Secretary of State may withdraw his consent at any time.”
- (7) At the end of section 11(4) of the said Act (power of English, Scottish and Welsh industrial estate corporations to provide advisory services) there shall be added the following words:
  - “The powers conferred by this subsection may be exercised as respects the building of factories or the development or management of industrial estates in any place outside Great Britain (as well as respects the part of Great Britain for which the corporation in question is responsible)”.
- (8) In subsection (5) of the said section 11 for the words " an undertaking is to be set up in a development area or intermediate area in circumstances which justify the giving of special assistance " there shall be substituted the words " an undertaking is to be, or has been, set up in a development area or intermediate area, and that there are circumstances which justify the giving of special assistance ".

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- (9) At the end of section 17(1) of the said Act there shall be inserted the following proviso—

“ " Provided that accounts for the financial year beginning on 1st April 1973 or for any subsequent financial year need not deal with loans under section 4 or section 15 of this Act.”.

#### **14 Winsford Urban District**

- (1) In the period—

- (a) beginning on 22nd March 1972 (the date of coming into operation of the Intermediate Areas and Derelict Land Clearance Areas Order 1972), and
- (b) ending on 14th April 1972 (the date of coming into operation of the Intermediate Areas and Derelict Land Clearance Areas (Amendment) Order 1972),

the Urban District of Winsford situated within the employment exchange area of Winsford shall be deemed for all purposes to have been part of a development area, and not part of any intermediate area.

- (2) This section applies in particular for the purpose of grants made under the Local Employment Act 1972, grants made under Part I of this Act and payments of regional employment premiums made at the rates prescribed by section 26 of the Finance Act 1967.

#### **15 Interpretation**

In this Act " development area" and " intermediate area " mean an area for the time being specified as a development area, or as the case may be as an intermediate area, by an order made or having effect under section 1 of the Local Employment Act 1972 as amended by this Act.

#### **16 Annual reports**

- (1) For the financial year ending on 31st March 1973. and for each subsequent financial year the Secretary of State shall prepare a report on the discharge of his functions—

- (a) under Parts I and II of this Act.
- (b) under Part III of this Act (including any functions in respect of guarantees given by him under section 7 of the Shipbuilding Industry Act 1967).
- (c) under the Local Employment Act 1972, and
- (d) under section 12(4) of the Town and Country Planning (Scotland) Act 1947 and section 67(1) of the Town and Country Planning Act 1971,

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 or Part III of this Act, or under the other enactments mentioned in subsection (1) above, and one or more separate reports on the remaining functions.

- (3) A report under this section relating to Part II or Part III of this Act 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 II, or as the case may be, Part III of this Act, and in the latter case shall include liabilities under guarantees given under section 7 of the Shipbuilding Industry Act 1967.

## **17 Financial provisions**

- (1) There shall be paid out of money provided by Parliament any grants under this Act, any other sums paid by the Secretary of State under Part II or Part III of this Act, any administrative expenses incurred by the Secretary of State under any provision of this Act and any increase in sums payable out of money provided by Parliament under any Act other than this Act which is attributable to any provision of this Act.
- (2) Any receipts of the Secretary of State under this Act shall be paid into the Consolidated Fund.

## **18 Application to Northern Ireland**

- (1) Part II and Part III of this Act, and so much of this Part as relates thereto, shall extend to Northern Ireland.
- (2) Notwithstanding anything in the Government of Ireland Act 1920, the Parliament of Northern Ireland shall have power to make laws for purposes similar to the purposes of this Act, and nothing in this Act shall preclude provision being made for the granting of financial assistance to industry in Northern Ireland by any enactment of the Parliament of Northern Ireland.
- (3) Except as provided by this section, this Act shall not extend to Northern Ireland.

## **19 Short title, transitory provisions and repeals**

- (1) This Act may be cited as the Industry Act 1972.
- (2) The provisions of Schedule 2 and Schedule 3 to this Act shall have effect as respects the transitory matters there dealt with.
- (3) The enactments mentioned in Schedule 4 to this Act are hereby repealed to the extent specified in column 3 of that Schedule, but subject to any provision at the end of any Part of that Schedule.

## SCHEDULES

### SCHEDULE 1

Sections 4 and 11.

#### ENFORCEMENT OF CONDITIONS ATTACHED TO REGIONAL DEVELOPMENT GRANTS AND GRANTS UNDER PART III

- 1 (1) The Secretary of State may by notice require any person who' has received a grant under Part I or Part III of this Act, and any person acting on his behalf, to furnish to the Secretary of State such information, or to produce for examination on behalf of the Secretary of State such books, records or other documents, as may be specified in the notice for the purpose of enabling the Secretary of State to determine whether any condition subject to which the grant is made is satisfied or is being complied with, or whether the grant has become repayable in whole or in part in accordance with any such condition.

- (2) A notice under this paragraph may require the information to which it relates to be furnished within such time as may be specified in the notice, and may require the documents to which it relates to be produced at such time and place as may be so specified:

Provided that the time specified in such a notice for furnishing any information or producing any document shall not be earlier than the end of the period of twenty-eight days beginning with the service of the notice.

- (3) A notice under this paragraph may be served—
- (a) by delivering it to the person on whom it is to be served ;
  - (b) by delivering it at the usual or last known place of abode of that person;
  - (c) by sending it in a prepaid registered letter, or by the recorded delivery service, addressed to that person at Ms usual or last known place of abode ; or
  - (d) in the case of an incorporated company or body, by delivering it to the secretary or clerk of the company or body at their registered or principal office, or sending it in a prepaid registered letter, or by the recorded delivery service, addressed to the secretary or clerk of the company or body at that office.

- 2 Any person duly authorised in that behalf by the Secretary of State may for the purposes mentioned in paragraph 1 of this Schedule, on production (if so required) of written evidence of his authority, at all reasonable times enter and inspect any premises where any asset in respect of which a grant under Part I of this Act has been made is, or in accordance with any condition attached to the grant should be, and require any person appearing to him to have charge of those premises to produce or identify the asset for inspection.

- 3 (1) Any person who in purported compliance with a notice under paragraph I of this Schedule knowingly or recklessly makes any statement or produces any document which is false in a material particular shall be guilty of an offence and liable on summary conviction to a fine not exceeding £400, or on conviction on indictment to a fine, or to imprisonment for a term not exceeding two years, or to both.



- (2) Any person who without reasonable excuse fails to comply with a notice under paragraph 1 of this Schedule shall be guilty of an offence and liable on summary conviction to a fine not exceeding £400.
- (3) Any person who wilfully obstructs any person in the exercise of a right of entry under paragraph 2 of this Schedule, or without reasonable excuse fails to comply with a requirement under that paragraph, shall be guilty of an offence and liable on summary conviction to a fine not exceeding £50.
- 4 (1) Any person who without reasonable excuse fails to comply with any condition subject to which a grant was made to him under Part I or Part III of this Act requiring him to inform the Secretary of State of any event whereby the grant becomes repayable in whole or in part shall be guilty of an offence and liable on conviction to a fine which on summary conviction shall not exceed £400.
- (2) Notwithstanding anything in section 104 of the Magistrates' Courts Act 1952 (time limit for proceedings), summary proceedings in England and Wales for an offence under this paragraph may be taken by the Secretary of State or the Director of Public Prosecutions at any time within twelve months from the date on which evidence sufficient in the opinion of the Secretary of State or the Director, as the case may be, to justify the proceedings comes to his knowledge:
- Provided that proceedings shall not be so taken more than three years after the commission of the offence.
- (3) Summary proceedings in Scotland for an offence under this paragraph shall not be commenced after the expiration of three years from the commission of the offence, but subject to the foregoing limitation and notwithstanding anything in section 23 of the Summary Jurisdiction (Scotland) Act 1954, such proceedings may be commenced at any time within twelve months after the date on which evidence sufficient in the opinion of the Lord Advocate to justify the proceedings comes to his knowledge or, where such evidence was reported to him by the Secretary of State, within twelve months after the date on which it came to the knowledge of the Secretary of State ; and subsection (2) of the said section 23 shall apply for the purposes of this paragraph as it applies for the purposes of that section.
- (4) Notwithstanding anything in section 34 of the Magistrates' Courts Act (Northern Ireland) 1964 (time limit for proceedings) summary proceedings in Northern Ireland for an offence under this paragraph may be taken by the Secretary of State or the Director of Public Prosecutions for Northern Ireland at any time within twelve months from the date on which evidence sufficient in the opinion of the Secretary of State or the Director, as the case may be, to justify the proceedings comes to his knowledge:
- Provided that proceedings shall not be so taken more than three years after the commission of the offence.
- (5) For the purposes of this paragraph, a certificate of the Secretary of State, the Director of Public Prosecutions, the Lord Advocate or the Director of Public Prosecutions for Northern Ireland, as the case may be, as to the date on which such evidence as aforesaid came to his knowledge shall be conclusive evidence of that fact.
- 5 (1) Where an offence under this Schedule committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the

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body corporate or any person who was purporting to act in any such capacity, he as well as the body corporate shall be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

- (2) In this paragraph " director ", in relation to a body corporate established by or under any enactment for the purpose of carrying on under public ownership any industry or part of an industry or undertaking, being a body corporate whose affairs are managed by its members, means a member of that body corporate.

## SCHEDULE 2

Section 19.

### REGIONAL DEVELOPMENT GRANTS : COMMENCEMENT AND TRANSITIONAL PROVISIONS

#### *Expenditure eligible for grant*

- 1 (1) No grant shall be made for expenditure within Head 1 of the Table in section 1 of this Act if the construction of the building or the carrying out of the works was begun before 22nd March 1972.
- (2) No grant shall be made for expenditure within any other Head of the said Table if in the opinion of the Secretary of State the asset was provided before 22nd March 1972.
- (3) In the case of a building or any works begun before 22nd March 1974, but not provided before that date, grant under Head 1(c) of the said Table may be made by reference to such part of the expenditure defrayed in providing the building or works as, in the opinion of the Secretary of State, is properly attributable to the work carried out before 22nd March 1974.
- (4) Sub-paragraphs (1) and (3) above apply in the case of a building whether or not the building is provided by the purchase of an existing one, but in applying them to the provision of a building by the adaptation of an existing one, account shall be taken of the work of adaptation, and not of the construction of the original building.

#### *Changes in rate of grant, or in assisted areas or in qualifying premises*

- 2 (1) This paragraph applies as respects any order under section 1(4) or section 3 of this Act, or any order under section 1 or section 8(6) of the Local Employment Act 1972 (designation of development areas, intermediate areas and derelict land clearance areas).
- (2) Any such order may contain such transitional provisions as respects grant under Part I of this Act as appear to the Secretary of State to be appropriate in connection with any change effected by the order in the areas which are assisted areas of any particular category, or in any prescribed percentage of grant, or in the descriptions of activities taken into account for any of the purposes of Part I of this Act.
- (3) Without prejudice to the generality of the preceding provisions of this paragraph, the transitional provisions contained in any such order may, in the case of a building or any works begun before, but completed after, any such change, be provisions making different provision for the parts of the expenditure respectively attributable to the work carried out before the change, and to the work carried out after the change.

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*Local Employment Act 1972*

- 3
- (1) The repeal by this Act of subsections (1) and (2) of section 2 of the Local Employment Act 1972 shall not affect the operation of those subsections as respects any application under section 3 or section 4 of that Act whenever received, or as respects any application under section 5 or section 6 of that Act received on or before the date of the repeal.
  - (2) The advisory committee established by section 2(3) of the said Act shall be dissolved on such date as the Secretary of State may direct.
  - (3) No grant shall be made under section 3 of the said Act (which is superseded by Part I of this Act) unless—
    - (a) the construction of the building or the carrying out of the works was begun before 22nd March 1972, and the application for grant was received before 1st August 1973 ; or
    - (b) the application for grant was received before 22nd March 1972 ; or
    - (c) a contract was entered into before 22nd March 1972 in respect of all or any part of the expenditure on the asset for which the grant may be made.
  - (4) No assistance shall be given under section 4 of the said Act (which is superseded by Part II of this Act) unless the application for assistance was received before 1st August 1972.
  - (5) The repeal by this Act of the said sections 3 and 4, and of section 15 of the said Act, shall not affect any terms or conditions imposed under those sections, or liability for any offence committed (before the repeal or later) as respects financial assistance given under those sections, or as respects any such terms or conditions.
  - (6) Any reference in this paragraph to a provision of the Local Employment Act 1972 shall, unless the context otherwise requires, include a reference to any corresponding enactment re-enacted in that Act.

*Interpretation*

- 4
- In determining for the purposes of any provision of this Schedule the date when the construction of a building or the carrying out of works was begun, no account shall be taken of any work on the clearance or preparation of the site.

SCHEDULE 3

Section 19.

SHIPBUILDING : TRANSITIONAL PROVISIONS

- 1
- The repeals in Part II of Schedule 4 to this Act shall not affect—
- (a) the vesting of any property, rights or liabilities in the Secretary of State under section 9(3) of the Shipbuilding Industry Act 1967 ;
  - (b) the operation—
    - (i) of subsections (2) and (7) and, subject to paragraphs 2 and 3 below, of subsection (8), of section 10 of that Act;
    - (ii) of the Shipbuilding Industry Board (Dissolution Provisions) Order 1971.

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- 2 Any sums received by the Secretary of State by way of repayment of or interest on a loan under the Shipbuilding Industry Act 1967 shall be paid into the National Loans Fund, and the reference to subsection (5) of section 10 of that Act in subsection (8) of that section shall include a reference to this paragraph.
- 3 The said subsection (8) shall not require a statement of any guarantees given by the Secretary of State under section 7 of the Shipbuilding Industry Act 1967 for the financial year beginning on 1st April 1973 or for any subsequent financial year.

## SCHEDULE 4

Section 19.

## REPEALS

## PART I

REPEALS IN THE LOCAL EMPLOYMENT ACT 1972 AND IN  
ENACTMENTS AMENDED BY SCHEDULE 3 TO THAT ACT

Chapter	Short Title	Extent of Repeal
<a href="#">2 &amp; 3 Eliz. 2. c. 56.</a>	The Landlord and Tenant Act 1954.	In section 60(1), in paragraph (a), the words from " or a locality " to " in a development area " and in paragraph (b) the words from " or a locality " to " in an intermediate area "
<a href="#">8 &amp; 9 Eliz. 2. c. 18.</a>	The Local Employment Act 1960.	In section 17(2), the words from " and any locality " to the end of the subsection.
<a href="#">1966 c. 34.</a>	The Industrial Development Act 1966.	In paragraph 5(1) of Schedule 1 the words from " and any reference" to the end of paragraph 5(1).
<a href="#">1967 c. 54.</a>	The Finance Act 1967.	In section 26(6)(a) the words from " and includes " to the end of the paragraph.
<a href="#">1969 c. 51.</a>	The Development of Tourism Act 1969.	In section 11(3) the words from " and includes " to the end of the subsection.
<a href="#">1971 c. 76.</a>	The Housing Act 1971.	In section 1(4), in the definition of " development area " the words from " and includes " to the end of the definition, and in the definition of " intermediate area" the words from " or

The above repeals have effect subject to Schedule 2 to this Act.

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Chapter	Short Title	Extent of Repeal
1971 c. 78.	The Town and Country Planning Act 1971.	<p>treated" to the end of the definition.</p> <p>In section 67(7), in the definition of " development area" the words from " and any locality " to the end of the definition.</p>
1972 c. 5.	The Local Employment Act 1972.	<p>In section 1, subsections (5), (6) and (7).</p> <p>In section 2, subsection (1), except as applied by section 60(1) of the Landlord and Tenant Act 1954, as amended by the said Act of 1972, and subsections (2) and (3).</p> <p>Sections 3 and 4.</p> <p>In section 5(1) the words from the beginning to " of this Act ".</p> <p>In section 6(2) the words " for the purpose mentioned in section 2(1) of this Act ".</p> <p>In section 8, in subsection (3) the words " for the purpose mentioned in subsection (1) (b) of this section ".</p> <p>Section 13(3).</p> <p>In section 14, in subsection (1), paragraph (a) so far as it relates to section 8 of the Act, in paragraph (b) the words " or the giving of assistance under section 4 of this Act" and the words " or assistance " and in paragraph (c) the words " or assistance ", and subsection (2).</p> <p>Section 15.</p> <p>Section 17(3) except as respects any report for the financial year ending on 31st March 1972 or earlier.</p>

The above repeals have effect subject to Schedule 2 to this Act.

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Chapter	Short Title	Extent of Repeal
		<p>In section 19 the words from " and, in " to the end of the section.</p> <p>In section 21(1), the definition of " the advisory committee ", in the definition of " development area " the words " subject to subsection (5) of section 1 of this Act " and in the definition of " intermediate area" the words " subject to subsection (7) of section 1 of this Act ".</p> <p>In Schedule 2, paragraphs 3(1), 6 and 7.</p>

The above repeals have effect subject to Schedule 2 to this Act.

## PART II

### SHIPBUILDING

Chapter	Short Title	Extent of Repeal
<a href="#">1967 c. 40.</a>	The Shipbuilding Industry Act 1967.	The whole Act.
<a href="#">1968 c. 13.</a>	The National Loans Act 1968.	In Schedule 1, the entry relating to the Shipbuilding Industry Act 1967.
<a href="#">1968 c. 32.</a>	The Industrial Expansion Act 1968.	Section 10.
<a href="#">1971 c. 46.</a>	The Shipbuilding Industry Act 1971.	The whole Act.

The above repeals have effect subject to Schedule 3 to this Act.