



Industrial Development Act 1982

1982 CHAPTER 52

[^{F1}PART II

REGIONAL DEVELOPMENT GRANTS

Textual Amendments

- F1** Pt. II (ss. 2—6) substituted by Co-operative Development Agency and Industrial Development Act 1984 (c.57, SIF 64), s. 5, **Sch. 1 Pt. I** (subject to modifications in s. 5(3)(4))

Modifications etc. (not altering text)

- C1** Pt. II (ss. 2—6) excluded retrospectively by S.I. 1984/1845, **arts. 4(1)(2), 7(1), 8** (as substituted retrospectively by S.I. 1986/128 art. 3(1)(d)(2))
- C2** Pt. II (ss. 2—6) modified by Gas Act 1986 (c. 44, SIF 44:2), s. 67(3), **Sch. 8 para. 37(1)**
- C3** Pt. II (ss. 2—6) restricted by Regional Development Grants (Termination) Act 1988 (c. 11, SIF 64), **ss. 1(2)(3), 2**
- C4** Pt. II (ss. 2—6) modified by Electricity Act 1989 (c. 29, SIF 44:1), s. 112(3), Sch. 17 paras. 35(1), **38(1)**

2 Grants for projects of investment in development areas.

- (1) The Secretary of State may, in accordance with this Part of this Act, make a grant to a person in respect of the carrying out of a project of investment in the productive capacity or productive processes of an undertaking in a development area.
- (2) Productive capacity and productive processes include respectively both the capacity to produce and the process of producing goods and the capacity to provide and the process of providing services, and the investment may be investment in a new or in an existing undertaking.
- (3) Grant is payable both in respect of capital expenditure on the provision of assets and in respect of the provision of jobs comprised in a project, and the assets or jobs may be provided in more than one development area.

Status: Point in time view as at 01/02/1991.

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- (4) A project is not eligible for grant unless or except to the extent the Secretary of State approves the project for grant, but his approval may be given where the project has been wholly or partly carried out as well as where the project is to be carried out.
- (5) An application for approval of a project for grant shall be made in such form or manner, and shall contain such particulars and be accompanied by such documents, as the Secretary of State may direct and, in the case of a project which has been wholly or partly carried out, shall be made within such time as the Secretary of State may direct.
- (6) Where the Secretary of State decides to make a grant in respect of an approved project, grant shall be payable in accordance with the terms of the approval notified to the applicant and the provisions made by or under Part I or this Part of this Act unaffected (except as provided by any transitional provision of the order) by any changes effected by an order under section 1 above or section 5 below after the date which is for the purposes of section 3 below the qualifying date for the project.
- (7) In this Part of this Act—
- “asset” means machinery, plant, buildings or works and “machinery”, “plant”, “building” and “works” include part of any machinery, plant building or works respectively;
- “expenditure”, in relation to an asset provided by being manufactured, constructed or devised 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;
- “jobs”, subject to sections 3(5) and 5(9)(e) below, means full-time jobs;
- “produce”, “product” and “productive” are to be construed in accordance with subsection (2) above;
- “provision” or “provide”—
- (a) in relation to jobs, includes provision by way of maintaining or safeguarding jobs;
 - (b) in relation to machinery or plant, means the provision of unused machinery or plant; and
 - (c) in relation to a building, includes provision 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;
- “undertaking” includes an undertaking carried on otherwise than for profit.

3 Approval of projects by Secretary of State.

- (1) The Secretary of State may approve a project for grant if, in his opinion, the project satisfies or, as the case may be, satisfied the following conditions at the qualifying date, that is to say—
- (a) its purposes are to create new or expand existing productive capacity or to effect a change in the product or in the process of producing it;
 - (b) the activities to which it relates are to be qualifying activities; and
 - (c) the assets or jobs to be provided are to be, in the case of assets, situated or used in a development area or, in the case of jobs, carried out in a development area.
- (2) If, as regards any project—

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- (a) most but not all the activities to which it relates are to be qualifying activities, or
 - (b) most but not all the assets or jobs are to be, in the case of assets, situated or used or, in the case of jobs, carried out in a development area,
- the Secretary of State may approve for grant so much of the project as, in his opinion, satisfies or, as the case may be, satisfied the conditions specified in subsection (1) above at the qualifying date except that he may, to such extent as he thinks fit, treat as qualifying activities those which are not and give his approval accordingly.
- (3) For the purposes of this section the qualifying date as at which a project is required to satisfy the said conditions is—
 - (a) in the case of a project the whole of which, at the date of the application for approval, is to be carried out, the date of the receipt of the application;
 - (b) in the case of a project which has been wholly carried out at the date of the application for approval, the date when the first asset or job was provided under the project or, if earlier, the date when expenditure was first defrayed on the provision of any asset comprised in the project;
 - (c) in the case of a project which has been partly carried out at the date of the application for approval, the date when the first asset or job was provided under the project or, if earlier, the date when expenditure was first defrayed on the provision of any asset comprised in the project.
 - (4) In approving a project for grant the Secretary of State shall determine as the basis for the payment of grant what, in his opinion, is—
 - (a) the amount of capital expenditure on assets to be provided by the project;
 - (b) the number of jobs to be provided by the project.
 - (5) In making a determination under subsection (4) above the Secretary of State may—
 - (a) in the case of a determination under paragraph (a), take account of the provision of assets of some classes or descriptions but not others; and
 - (b) in the case of a determination under paragraph (b), take account of the provision of jobs in one way but not another, aggregate jobs which are less than full-time and make such other allowance for the effects of the project on employment in any development area or intermediate area or in any part of Northern Ireland as he considers appropriate.
 - (6) Except in the case of a project which has been wholly carried out, the Secretary of State may, in determining under subsection (4) above the amount of capital expenditure on assets or the number of jobs, direct that his approval will extend, if he so determines at any time, to such additional assets or jobs as he indicates in the direction.
 - (7) It shall be a term of any approval for grant of a project which includes the provision of assets that the amount of capital expenditure approved by the Secretary of State shall be subject to revision as the project is carried out.

Modifications etc. (not altering text)

C5 [S. 3\(6\)\(7\)](#) restricted by [Regional Development Grants \(Termination\) Act 1988 \(c. 11, SIF 64\)](#), [s. 2\(6\)](#)

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4 Amount and payment of grants.

- (1) Subject to any transitional provision under section 1 above or section 5 below and to any reduction in any of the following amounts required to give effect to any Community obligation, the amount of grant payable in respect of an approved project shall be—
- (a) in the case of a project which is eligible for grant in respect of both capital expenditure on assets and jobs provided, the higher of—
 - (i) the amount which represents the prescribed percentage of the approved amount of capital expenditure reduced, where a prescribed limit for capital expenditure is applicable, by such amount as is required to be deducted to give effect to that limit; and
 - (ii) the amount produced by multiplying the approved number of jobs by the prescribed amount;
 - (b) in the case of a project which is eligible for grant only in respect of capital expenditure, the amount which represents the prescribed percentage of the approved amount of capital expenditure reduced, where a prescribed limit for capital expenditure is applicable, by such amount as is required to be deducted to give effect to that limit;
 - (c) in the case of a project which is eligible for grant only in respect of jobs provided, the amount produced by multiplying the approved number of jobs by the prescribed amount.
- (2) Where the Secretary of State approves for grant a project which has been wholly or partly carried out the amount of grant payable in respect of the project or so much of it as has been carried out shall be such amount as is produced by applying subsection (1) above as at the date which is for the purposes of section 3 above the qualifying date for the project and making such adjustments (if any) as would have been required to be made by any transitional provision made applicable to current projects.
- (3) Except in the case of a project which has been wholly carried out, grant shall be paid, subject to sub-section (4) below, at such times as the Secretary of State determines.
- (4) Grant in respect of capital expenditure on the provision of any asset may be paid at any time after the time when, in the opinion of the Secretary of State, the asset is provided or the expenditure is defrayed and grant in respect of any job may be paid at any time after the time when, in his opinion, the job is provided.
- (5) At any time at which subsection (1) above falls to be applied to determine the amount of grant payable at that time in respect of the carrying out of an approved project—
- (a) “the approved amount of capital expenditure” is the amount determined by the Secretary of State under section 3(4) above in approving the project for grant subject, as respects a project the whole or any part of which, at the date of approval, is to be carried out, to any adjustment falling to be made at that time under either or both of subsections (6) and (7) of that section;
 - (b) “the approved number of jobs” is the number determined by the Secretary of State under section 3(4) above in approving the project for grant subject, as respects a project the whole or any part of which, at the date of approval, is to be carried out, to any adjustment falling to be made at that time under subsection (6) of that section;
- and paragraph (a), (b) or (c) of subsection (1) above (with any increase or reduction required by any transitional provision and any reduction to give effect to any Community obligation then in force) shall be applied accordingly subject to any

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adjustments falling to be made to take account of any previous payments of grant and to any final adjustment which is required to give effect to that subsection.

Modifications etc. (not altering text)

C6 S. 4 amended by [Regional Development Grants \(Termination\) Act 1988 \(c. 11, SIF 64\), s. 2\(6\)](#)

5 Provisions supplementary to ss. 3 and 4.

(1) For the purposes of sections 3 and 4 above—

- (a) “qualifying activities” are such activities as are specified by order of the Secretary of State made with the consent of the Treasury;
- (b) “the prescribed percentage” for capital expenditure on the provision of assets is such percentage as is prescribed by order of the Secretary of State made with the consent of the Treasury;
- (c) “the prescribed amount” for jobs provided is such amount as is prescribed by order of the Secretary of State made with the consent of the Treasury; and
- (d) a “prescribed limit” for capital expenditure is such amount as is prescribed by order of the Secretary of State made with the consent of the Treasury in relation to any specified class of undertaking in any specified circumstances as a limit on the amount of grant payable in respect of capital expenditure on the provision of assets;

and “anticipatory project”, in relation to a variation of the qualifying activities, the prescribed percentage, the prescribed amount or a prescribed limit, means a project whose qualifying date falls in the period beginning with the making or, as the case may be, the laying in draft of the order and ending with the date on which the variation takes effect, with a corresponding meaning in relation to a variation under section 1 above in the areas which are assisted areas of any particular category.

(2) An order under subsection (1)(a) above may—

- (a) specify the activities which are to be qualifying activities by reference to any specified edition or amended edition of the publication known as the Standard Industrial Classification or any other like publication of any government department and with or without modifications specified in the order;
- (b) if it varies any qualifying activities, contain such transitional provisions as respects grant as appear to the Secretary of State to be appropriate in connection with the change.

(3) An order under subsection (1)(b) above may—

- (a) prescribe different percentages for different classes of asset;
- (b) prescribe different percentages for assets situated or used in development areas and for assets situated or used in special development areas;
- (c) if it varies the percentage prescribed by a previous order, contain such transitional provisions as respects grant as appear to the Secretary of State to be appropriate in connection with the change.

(4) An order under subsection (1)(c) above may—

- (a) prescribe different amounts for jobs carried out in development areas and for jobs carried out in special development areas;

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- (b) if it varies the amount prescribed by a previous order, contain such transitional provisions as respects grant as appear to the Secretary of State to be appropriate in connection with the change.
- (5) An order under subsection (1)(d) above may—
- (a) prescribe different amounts for different classes of undertaking;
 - (b) contain such incidental and supplemental provisions as appear to the Secretary of State to be appropriate;
 - (c) if it varies any amount prescribed by a previous order, contain such transitional provisions as respects grant as appear to the Secretary of State to be appropriate in connection with the change.
- (6) Transitional provisions under subsection (2)(b), (3)(c), (4)(b) or (5)(c) may—
- (a) provide for the attribution of part of an anticipatory project to the period before the variation takes effect and its approval in accordance with the attribution; and
 - (b) apply increases or, in the case of anticipatory projects, reductions in a percentage, amount or limit to current projects, that is to say, projects for which applications for approval for grant have been received or which are in the process of being carried out.
- (7) Different transitional provisions as respects grant may be made under subsection (2)(b), (3)(c), (4)(b) or (5)(c) above in relation to projects in different circumstances.
- (8) An order of the Secretary of State under any provision of subsection (1) above shall be made by statutory instrument and—
- (a) in the case of an order under paragraph (a), the instrument containing it shall be subject to annulment in pursuance of a resolution of either House of Parliament; and
 - (b) in the case of an order under paragraph (b), (c) or (d), the order shall not be made unless a draft of it has been approved by resolution of each House of Parliament.
- (9) 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 three classes, that is to say—
 - machinery or plant;
 - buildings;
 - works;
 - (b) any question as to the area in which an asset is to be treated as situated or used;
 - (c) any question as to the area in which a job is to be treated as carried out;
 - (d) any question whether and in what circumstances a project is to be treated as providing an asset or a job;
 - (e) the number of jobs a project is to be treated as providing where some of them are less than full-time.

Modifications etc. (not altering text)

C7 S. 5: functions modified (1.7.1999) by S.I. 1999/672, art. 2, Sch.1

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C8 S. 5(1)—(8) restricted by [Regional Development Grants \(Termination\) Act 1988 \(c. 11, SIF 64\), s. 1\(4\)\(c\)](#)

6 **Conditions.**

- (1) The making of a grant may be subject to conditions imposed by the Secretary of State and he may impose them when he approves the project for grant or on paying grant in respect of it.
- (2) The Secretary of State may in particular impose a condition for repayment of all or any part of a grant in the event of non-compliance with some other condition subject to which it was made or in the event of an over-payment of grant.
- (3) Schedule 1 shall have effect for supplementing the provisions of this section about the imposition of conditions.]

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