



Industrial Development Act 1982

1982 CHAPTER 52

PART II

REGIONAL DEVELOPMENT GRANTS

2 Grants towards approved capital expenditure

- (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 in subsection (4) below.
- (2) 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.
- (3) Without prejudice to any provisions made (or having effect as if made) under subsections (5) and (6) of section 1 above, the amount of a grant under this section shall be the prescribed percentage of the expenditure in respect of which it is made.
- (4) Subject to any order under section 4 below and to paragraph 2 of Part I of Schedule 2 to this Act, the prescribed percentage shall be that specified in column 2 of the following Table.

TABLE

Expenditure incurred in	Prescribed percentage
1. Providing a building as part of, or providing works on, qualifying premises in a development area	If the qualifying premises are in a special development area: 22 per cent. If not: 15 per cent.
2. Providing new machinery or plant for use in qualifying premises in a development area	If the qualifying premises are in a special development area: 22 per cent. If not: 15 per cent.

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- (5) 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.
- (6) No grant shall be made under this Part of this Act if—
- (a) the asset was provided before 1st August 1980 ; or
 - (b) the expenditure was defrayed before 18th July 1979 ; or
 - (c) in a case falling within paragraph 1 of the Table in subsection (4) above, the construction of the building or the carrying out of the works was begun before 22nd March 1972.
- (7) Without prejudice to section 18(2) below, paragraph (c) of subsection (6) above applies in the case of a building whether or not the building is provided by the purchase of an existing one, but in applying that paragraph 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.

3 **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—
- (a) activities which are described in any of the minimum list headings in Orders III to XIX (inclusive) in the Standard Industrial Classification (manufacturing), subject to the omission from minimum list heading 212 in Order III (Bread and Flour Confectionery) of the words from " Production" to the end of the heading; 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 process, or in the processing of scrap and waste materials; and
 - (e) any repair or maintenance carried out on premises used for any other qualifying activity of any building on those premises ; and
 - (f) repairs of the kinds described in headings 370 (shipbuilding and marine engineering), 383 (aerospace equipment manufacturing and repairing) and 384 and 385 (locomotives, rolling stock and railway equipment) 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
 - (g) 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 Part 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,

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- (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), (e) and (f) 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 (f), 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 and 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
 - (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, a development area, they shall be regarded for the purposes of this Part of this Act as in a development area—
- (a) if the larger part of the premises is in a development area, or if the qualifying activities there carried on are mainly carried on in a development 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 a development area and partly in a special development area.
- (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.

4 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 2(4) above.
- (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 section 3 above ; or

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- (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.
- (3) An order under this section may contain—
 - (a) such incidental and supplemental provisions as appear to the Secretary of State to be appropriate, including, in the case of an order under paragraph (a) of subsection (2) above, amendments of subsections (2), (3) and (4) of section 3 above;
 - (b) such transitional provisions as respects grant under this Part of this Act as appear to the Secretary of State to be appropriate in connection with any change effected by the order in any prescribed percentage of grant or in the descriptions of activities taken into account for any of the purposes of this Part of this Act.
- (4) Without prejudice to the generality of subsection (3) (b) above, the transitional provisions contained in an order under this section 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.
- (5) An order under this section shall be contained in a statutory instrument, and—
 - (a) the Secretary of State shall not make an order under this section which varies all or any of the percentages in the Table in section 2(4) above (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; and
 - (b) a statutory instrument containing an order under this section to which paragraph (a) above does not apply shall be subject to annulment in pursuance of a resolution of either House of Parliament.

5 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.

6 Interpretation of Part II

- (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.

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(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 works;

" 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 ;

" expenditure "—

(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;

" machinery or plant" includes part of any machinery or plant, but does not include anything forming part of mining works, 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 ;

" qualifying premises " has the meaning given by section 3 above;

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

" Standard Industrial Classification " means, subject to section 4 above, 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 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.