STATUTORY INSTRUMENTS

1977 No. 683

INDUSTRIAL DEVELOPMENT

The Assisted Areas Order 1977

Made - - - -	13*th April* 1977
Laid before Parliament	13*th April* 1977
Coming into Operation	14*th April* 1977

The Secretary of State, in exercise of his powers under sections 1(1) and (4) and 18(1) of the Local Employment Act 1972(**a**), section 1(4) of the Industry Act 1972(**b**) and paragraph 2 of Schedule 2 thereto, hereby makes the following Order:—

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Assisted Areas Order 1977 and shall come into operation on 14th April 1977.

(2) The Interpretation Act 1889(**c**) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.

Changes in areas

2. The areas described in Part I of Schedule 1 to this Order are hereby designated as special development areas for the purposes of section 1 of the Industry Act 1972.

3. The areas described in Part II of Schedule 1 to this Order are hereby specified as development areas for the purposes of the Local Employment Act 1972 and of any other enactment referring to development areas.

4. The areas described in Part III of Schedule 1 to this Order are hereby specified as intermediate areas for the purposes of the Local Employment Act 1972 and of any other enactment referring to intermediate areas.

Consequential amendments

5. The Intermediate Areas Order 1970(**d**), as amended(**e**), shall have effect subject to the amendment that the employment exchange areas of Beverley, Hessle and Hull shall be deleted from the description of the North Humberside Intermediate Area in the Schedule thereto.

6. The Intermediate Areas and Derelict Land Clearance Areas Order 1972(**f**), as amended(**g**), shall have effect subject to the amendments that in Part I of the Schedule thereto—

(*a*) the employment exchange area of Grimsby shall be deleted from the description of the Yorkshire and Humberside Intermediate Area; and

(**a**) 1972 c. 5. (**b**) 1972 c. 63. (**c**) 1889 c. 63. (**d**) S.I. 1970/308.
(**e**) S.I. 1972/421, 1974/1372 (1972 I, p. 1604; 1974 II, p. 5263).
(**f**) S.I. 1972/421 (1972 I, p. 1604). (**g**) S.I. 1972/585 (1972 I, p. 1962).

(*b*) the employment exchange areas of Buckley, Flint, Holywell, Mold and Shotton shall be deleted from the description of the North Wales Intermediate Area.

7. The Development Areas Order 1966(**a**) shall have effect subject to the amendments that in the Schedule thereto—

(*a*) for the description of the Scottish Development Area there shall be substituted the description of that area in Schedule 2 to this Order;

(*b*) the employment exchange areas of Malton, Northallerton, Pickering, Richmond and Thirsk shall be deleted from the description of the Northern Development Area; and

(*c*) for the description of the Welsh Development Area there shall be substituted the description of that area in paragraph 2 of Schedule 2 to this Order.

Transitional provisions

8.—(1) Notwithstanding that by reason of Article 2 above the areas described in Part I of Schedule 1 to this Order become special development areas, no grant at the rate of 22 per cent may be made under Part I of the Industry Act 1972 to any person towards expenditure incurred by him in providing an asset as part of, on or for use in qualifying premises in any of those areas if either of the conditions specified in paragraph (3) below applies.

(2) Notwithstanding that by reason of Article 3 above the areas described in Part II of Schedule 1 to this Order become development areas, no grant may be made under Part I of the Industry Act 1972 to any person towards expenditure incurred by him in providing plant or machinery for use in qualifying premises in any of those areas if either of the conditions specified in paragraph (3) below applies.

(3) The conditions mentioned in paragraphs (1) and (2) above are—

(*a*) that the expenditure was defrayed before 14th April 1977; and

(*b*) that, subject to the provisions of paragraph (4) below, the person who has incurred the expenditure or a person connected with him has, before that date, accepted an offer of financial assistance under Part II of the Industry Act 1972 in respect of a project which is being or is to be carried out (either in whole or in part) on the qualifying premises in question.

(4) For the purposes of determining whether the condition referred to in paragraph (3)(*b*) above is fulfilled any offer of financial assistance shall be disregarded if—

(*a*) the acceptance of that offer has been withdrawn and any moneys paid in pursuance of it have been agreed to be repaid, or

(*b*) when the asset in question is provided the project to which the offer related has been completed or no further progress with the project is intended to be made.

(5) For the purposes of this Article a person shall be deemed to be connected with another person if they are connected with each other within the terms of section 533 of the Income and Corporation Taxes Act 1970(**b**).

(**a**) S.I. 1966/1032 (1966 II, p. 2495). (**b**) 1970 c. 10.

9. Notwithstanding that, by reason of Articles 4 and 7 above, the areas described in Part III of Schedule 1 to this Order cease to be development areas, grant under Part I of the Industry Act 1972 may be made to a person towards expenditure incurred by him in providing plant or machinery for use in any of those areas if either—

(*a*) the plant or machinery is provided by him before 1st April 1978; or

(*b*) the expenditure was defrayed by him before 14th April 1977.

Eric Varley,
Secretary of State for Industry.

13th April 1977.

SCHEDULE 1

PART I

Article 2

NEW SPECIAL DEVELOPMENT AREAS

The employment office areas of Arbroath, Cumnock, Dundee (excluding the area served by by the sub-office of St. Andrews), Kilbirnie and Lanark.

PART II

Article 3

NEW DEVELOPMENT AREAS

The employment office areas of Grimsby, Hull Group (Beverley, Hessle and Hull), and Shotton Group (Flint, Holywell, Mold and Shotton).

PART III

Article 4

NEW INTERMEDIATE AREAS

1. The employment office areas of Aberdeen Group (Aberdeen, Inverurie and Stonehaven).

2. The employment office areas of Malton, Northallerton, Pickering, Richmond and Thirsk.

SCHEDULE 2

Article 7

1. The Scottish Development Area consisting of the employment office areas of Scotland except those of Aberdeen Group (Aberdeen, Inverurie and Stonehaven).

2. The Welsh Development Area consisting of the employment office areas of Wales except—

(*a*) that part of the employment office area of Abergavenny which lies in the County of Gwent; and

(*b*) the employment office areas of Chepstow, Colwyn Bay, Cwmbran, Llandudno, Monmouth, Newport Group (Newport and Newport Docks) and Rhyl.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order effects the following changes in certain assisted areas: —

(1) it upgrades the areas described in Part I of Schedule 1 from development areas to special development areas;

(2) it upgrades the areas described in Part II of Schedule 1 from intermediate areas to development areas; and

(3) it downgrades the areas described in Part III of Schedule 1 from development areas to intermediate areas.

The Order also contains transitional provisions. Expenditure in areas which are upgraded will not be eligible for regional development grant on the basis of the new grading if the expenditure was defrayed before the Order comes into operation or, subject to certain exceptions, if the expenditure is in respect of assets provided on premises where a project the subject of selective financial assistance under Part II of the Industry Act 1972 is being, or is to be, carried out.

Expenditure in areas which are downgraded will remain eligible for regional development grant on the basis of the old grading if the expenditure is in respect of plant or machinery provided before 1st April 1978 or if it is expenditure defrayed before 14th April 1977.

The Order makes consequential amendments in other Orders.

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