



# Industrial Development Act 1966

## 1966 CHAPTER 34

### PART I

#### INVESTMENT GRANTS

#### **1 Machinery and plant.**

- (1) Subject to the provisions of this section, the Board of Trade (hereafter in this Act referred to as " the Board ") may make to any person carrying on a business in Great Britain a grant towards approved capital expenditure incurred by that person in providing new machinery or plant for use in Great Britain—
  - (a) for carrying on a qualifying industrial process in the course of that business ; or
  - (b) for carrying on in the course of that business scientific research relating to a qualifying industrial process whether carried on in the course of that business or not.
- (2) For the purposes of this section a qualifying industrial process is a process for or incidental to any of the following purposes, that is to say—
  - (a) the making of any article ;
  - (b) the searching for or, without prejudice to the foregoing paragraph, the extracting or getting, or the preparation for sale, of coal, oil or other minerals, brine, peat or natural gas;
  - (c) the generation of energy ;
  - (d) the repair, maintenance, conversion or refitting of a ship; or
  - (e) the construction, alteration or demolition of a building or of any other fixed works of construction or civil engineering, including a road.
- (3) For the purposes of this section—
  - (a) the repair or maintenance in the course of a business of an article which is used in the course of that business for carrying on a process for or incidental to any of the purposes mentioned in subsection (2) of this section ;
  - (b) the storage in the course of a business of anything which is to be used in the course of that business for carrying on any such process or which is to be or

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has been subjected to, or has resulted from, any such process carried on in the course of that business ; and

- (c) the packing in the course of a business of anything which is to be or has been subjected to, or has resulted from, any such process carried on in the course of that business,

shall each be treated as a process incidental to that purpose, but, save as aforesaid, repair, maintenance, storage or packing shall not be treated as a process incidental to any of the purposes mentioned in subsection (2) of this section.

- (4) Machinery or plant provided for use in any area designated under section 1(7) of the Continental Shelf Act 1964 for carrying on any process for or incidental to the purpose mentioned in subsection (2)(b) of this section shall be treated for the purposes of this section as provided for use in Great Britain.
- (5) Machinery or plant provided by a person for protecting against fire or other risks any premises, or property in any premises, used by him for carrying on any process for or incidental to any of the purposes mentioned in subsection (2) of this section, or for carrying on such research as is mentioned in subsection (1)(b) of this section, shall be treated for the purposes of this section as provided by him for use for carrying on a process incidental to that purpose or, as the case may be, for carrying on such research.
- (6) Subject to any order under section 7 of this Act, the amount of any grant under this section shall be twenty per cent. of the expenditure in respect of which it is made, except that it shall be forty per cent. of the said expenditure so far as it qualifies as development area expenditure in accordance with Schedule 1 to this Act.
- (7) No grant shall be made under this section to any of the bodies mentioned in Schedule 2 to this Act unless the machinery or plant in question is provided for use for carrying on a process for or incidental to the purpose mentioned in subsection (2)(a) or (d) of this section, being a process the carrying on of which does not in the opinion of the Board form part of the principal or main functions of that body.
- (8) This section shall apply to the production of a prototype of an article of any description for use in carrying on scientific research relating to any process for or incidental to the making of articles of that description as it applies to the provision of machinery or plant for use in carrying on such research.

## **2 Computers.**

- (1) Subject to the provisions of this section, the Board may make to any person carrying on a business in Great Britain a grant towards approved capital expenditure incurred by that person in providing a new computer for use in Great Britain for the purposes of that business.
- (2) Subject to any order under section 7 of this Act, the amount of any grant under this section shall be twenty per cent. of the expenditure in respect of which it is made, except that in the case of a computer as respects which the Board are satisfied that it is provided solely or primarily—
- (a) for integration with machinery or plant which is or is to be used for carrying on a qualifying industrial process within the meaning of section 1 of this Act; or
- (b) for carrying on such research as is mentioned in subsection (1)(b) of that section,

the amount shall be forty per cent. of the said expenditure so far as it qualifies as development area expenditure in accordance with Schedule 1 to this Act.

- (3) For the purposes of this section, a computer shall be treated as provided for integration with machinery or plant in any case in which the Board are satisfied that it is to be used for controlling, or recording or analysing data as to, the operation of the machinery or plant and is to be linked with the machinery or plant by a device for the automatic transmission of signals.

### **3 Hover vehicles.**

- (1) Subject to the provisions of this section, the Board may make to any person carrying on a business in Great Britain a grant towards approved capital expenditure incurred by that person in providing a new hover vehicle for use, whether or not in Great Britain, for the purposes of that business.
- (2) No grant shall be made under this section to—
- (a) an individual who is not ordinarily resident in Great Britain;
  - (b) a body corporate which is not incorporated and resident in Great Britain.
- (3) Subject to any order under section 7 of this Act, the amount of any grant under this section shall be twenty per cent. of the expenditure in respect of which it is made.

### **4 Hired assets.**

- (1) References in this Part of this Act to providing machinery or plant, a computer or a hover vehicle do not include references to providing it by hiring it from another person; and nothing in the foregoing provisions of this Part of this Act shall be construed as enabling a grant to be made under those provisions towards expenditure incurred by a person in providing any such asset for the purpose of hiring it out to another person.
- (2) Subject to the provisions of this section, the Board may make to any person carrying on a business in Great Britain of hiring out any asset mentioned in subsection (1) of this section a grant towards approved capital expenditure incurred by that person in providing for the purposes of that business a new asset such as is mentioned in that subsection, but such a grant shall be made only—
- (a) in the case of any such asset as aforesaid, if—
    - (i) the asset has been hired out by him to another person; and
    - (ii) a grant could have been made under section 1, 2 or 3 of this Act to that other person if the asset had been provided by him within the meaning of that section and approved capital expenditure had been incurred by him, in so providing it, on the date on which he took possession of it; or
  - (b) in the case of machinery or plant, if it is provided for the purpose of being hired out for use in Great Britain for carrying on any process for or incidental to the purpose mentioned in section 1(2)(e) of this Act.
- (3) Subject to any order under section 7 of this Act—
- (a) the amount of any grant made by virtue of paragraph (a) of subsection (2) of this section shall be twenty per cent. of the expenditure in respect of which it is made, except that in any case where the grant mentioned in sub-paragraph (ii) of that paragraph would by virtue of section 1(6) or 2(2) of this Act have been at the rate of forty per cent. the amount shall be forty per cent. of the said expenditure; and

- (b) the amount of any grant made by virtue of paragraph (b) of subsection (2) of this section shall be twenty per cent. of the expenditure in respect of which it is made.

- (4) In this section references to hiring do not include references to hiring under a hire-purchase agreement.
- (5) Where an asset has been hired out to a person before the commencement of this Act, approved capital expenditure shall be deemed for the purposes of subsection (2)(a)(ii) of this section to have been incurred by him on the date on which he took possession of the asset or on 17th January 1966, whichever is the later.

## **5 Ships.**

- (1) Subject to the provisions of this section, the Board may make to any person carrying on a business in Great Britain a grant towards approved capital expenditure incurred by that person in providing a new ship for use, whether or not in Great Britain, for the purposes of that business or in converting a ship for such use.
- (2) Subject to the provisions of this section, the Board may make to any person carrying on a business in Great Britain a grant towards approved capital expenditure incurred by that person in providing a new part for a ship which is or is to be used as mentioned in subsection (1) of this section.
- (3) No grant shall be made under this section in respect of a ship, or of the provision of a part for a ship, which—
  - (a) is not registered in the United Kingdom under Part I of the Merchant Shipping Act 1894 ; or
  - (b) is of less than one hundred tons gross tonnage or is not self-propelled;and no such grant shall be made in respect of a ship, or of the provision of a part for a ship, which is or is to be used for sea fishing.
- (4) No grant shall be made under this section to—
  - (a) an individual who is not both a citizen of the United Kingdom and Colonies and ordinarily resident in Great Britain;
  - (b) a body corporate which is not incorporated and resident in Great Britain.
- (5) A grant may be made under this section in respect of a ship under construction if it appears to the Board that the requirements of the foregoing provisions of this section will be satisfied as respects that ship when it is completed.
- (6) Subject to any order under section 7 of this Act, the amount of any grant under this section shall be twenty per cent. of the expenditure in respect of which it is made.
- (7) The reference in subsection (1) of this section to providing a ship does not include a reference to providing it by chartering it from another person.

## **6 Mining works.**

- (1) Subject to the provisions of this section, the Board may make to any person carrying on a business in Great Britain a grant towards approved capital expenditure incurred by that person in providing works in Great Britain for use for the carrying on in the course of that business of any process for or incidental to the searching for, or the extracting or getting of, coal, oil or other minerals, brine, peat or natural gas.

- (2) Works provided in any area designated under section 1(7) of the Continental Shelf Act 1964 shall be treated for the purposes of this section as provided in Great Britain.
- (3) Subject to any order under section 7 of this Act, the amount of any grant under this section shall be twenty per cent. of the expenditure in respect of which it is made, except that it shall be forty per cent. of the said expenditure so far as it qualifies as development area expenditure in accordance with Schedule 1 to this Act.
- (4) No grant shall be made under this section to any of the bodies mentioned in Schedule 2 to this Act.
- (5) The reference in subsection (1) of this section to providing works does not include a reference to providing works by leasing them from another person.

## **7 Power to vary rates of grant and add further assets eligible for grant.**

- (1) The Board may by an order made with the consent of the Treasury—
  - (a) vary the rates at which grant is payable under any of the foregoing provisions of this Part of this Act, either in relation to all assets to which that provision applies or in relation to any class or description of such assets;
  - (b) make provision for the making of grants under this Part of this Act, at such rates as may be specified in the order, in respect of assets of any class or description, being assets of a class or description not eligible for grant under any of the foregoing provisions of this Part of this Act.
- (2) An order under subsection (1)(b) of this section may, in particular, make provision for the making of grants under section 4 of this Act in cases where subsection (2)(a)(ii) or (b) of that section is not satisfied by reason of the fact that the person to whom the asset in question has been hired out is carrying on business, is ordinarily resident or, being a body corporate, is incorporated and resident, or that the asset is to be used, in Northern Ireland and not in Great Britain; but no order making such provision as aforesaid shall be made unless the Board are satisfied that appropriate reciprocal provisions have been made by or under an enactment of the Parliament of Northern Ireland.
- (3) An order under this section may specify the assets to which it applies by reference to the nature of the assets or the place where, or the purpose for which, they are or are to be used, and may make different provision in relation to assets of different classes or descriptions.
- (4) An order under this section may contain such incidental and supplementary provisions as appear to the Board to be appropriate, including provisions making consequential modifications of any reference in this Act to a rate of grant and provisions relating to the expenditure as respects which the order is to have effect.
- (5) The power to make an order under this section shall include power to vary or revoke any such order by a subsequent order and shall be exercisable by statutory instrument.
- (6) An order under this section shall cease to have effect at the end of the period of twenty-eight days beginning with the day on which the order is made (but without prejudice to anything previously done under the order or to the making of a new order) unless before the end of that period the order is approved by a resolution of each House of Parliament.

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- (7) In reckoning any period for the purposes of the last foregoing subsection, no account shall be taken of any time during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than four days.

## **8 Conditions.**

- (1) In making a grant under this Part of this Act in respect of any asset the Board shall impose such conditions as they think fit for securing that the asset will continue to be used as required by the provision under which the grant is made and, where the grant is made under section 5, for restricting the chartering of the ship concerned; and such conditions may include conditions for repayment in specified circumstances.
- (2) The Board may by notice require any person who has received a grant under this Part of this Act, and any person acting on his behalf, to furnish to the Board such information, or to produce for examination on behalf of the Board such books, records or other documents, as may be specified in the notice for the purpose of enabling the Board 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.
- (3) A notice under the last foregoing subsection 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.

- (4) A notice under subsection (2) of this section may be served—
- (a) by delivering it to the person on whom it is to be served;
  - (b) by leaving 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 his 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.
- (5) Any person duly authorised in that behalf by the Board may for the purposes mentioned in subsection (2) of this section, 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 this Part 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.
- (6) Any person who in purported compliance with a notice under subsection (2) of this section 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 one hundred pounds, or to imprisonment for a term not exceeding three months, or to both, or on conviction on indictment to a fine, or to imprisonment for a term not exceeding two years, or to both.

- (7) Any person who without reasonable excuse fails to comply with a notice under subsection (2) of this section shall be guilty of an offence and liable on summary conviction to a fine not exceeding one hundred pounds or, on a second or subsequent conviction, three hundred pounds.
- (8) Any person who wilfully obstructs any person in the exercise of a right of entry under subsection (5) of this section, or without reasonable excuse fails to comply with a requirement under that subsection, shall be guilty of an offence and liable on summary conviction to a fine not exceeding fifty pounds.
- (9) Any person who without reasonable excuse fails to comply with any condition subject to which a grant was made to him under this Part of this Act requiring him to inform the Board of any event whereby the grant becomes repayable in whole or in part shall be guilty of an offence and liable—
- (a) on summary conviction, to a fine not exceeding three hundred pounds;
  - (b) on conviction on indictment, to a fine not exceeding one thousand pounds or three times the amount so repayable, whichever is the greater.
- (10) 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 the last foregoing subsection may be taken by the Board or the Director of Public Prosecutions at any time within twelve months from the date on which evidence sufficient in the opinion of the Board or the Director, as the case may be, to justify the proceedings comes to their or his knowledge:
- Provided that proceedings shall not be so taken more than three years after the commission of the offence.
- (11) Summary proceedings in Scotland for an offence under subsection (9) of this section 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 Board, within twelve months after the date on which it came to their knowledge; and subsection (2) of the said section 23 shall apply for the purposes of this subsection as it applies for the purposes of that section.
- (12) For the purposes of subsections (10) and (11) of this section, a certificate of the Board, the Director of Public Prosecutions or the Lord Advocate, as the case may be, as to the date on which such evidence as aforesaid came to their or his knowledge shall be conclusive evidence of that fact.

## **9 Fraudulent applications for grant.**

Any person who for the purpose of an application for a grant under this Part of this Act 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 one hundred pounds, or to imprisonment for a term not exceeding three months, or to both, or on conviction on indictment to a fine, or to imprisonment for a term not exceeding two years, or to both.

**10 Offences by bodies corporate.**

- (1) Where an offence under this Part of this Act 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 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 the foregoing subsection "director", in relation to a body corporate established by or under any enactment for the purpose of carrying on under national 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.

**11 Advisory committees.**

- (1) The Board shall arrange for the appointment of one or more committees for the purpose of advising the Board on the administration of this Part of this Act.
- (2) A committee appointed under this section shall be known as an Investment Grants Advisory Committee and not less than half of the members of any such committee shall be persons appearing to the Board to be engaged in trade or industry or to be concerned (otherwise than as officers of a government department) with financial or accountancy matters.
- (3) The Board shall pay to the members of any committee appointed under this section such travelling and other allowances as the Board may with the consent of the Treasury determine, and shall provide any such committee with such accommodation and staff as appears to the Board to be required for the proper discharge of its functions.

**12 Annual reports.**

As soon as may be after 31st March in each year the Board shall prepare a report on the discharge of their functions under this Part of this Act and shall lay the report before Parliament.

**13 Interpretation and supplementary provisions.**

- (1) In this Part of this Act—
  - " approved capital expenditure " in relation to any grant means expenditure appearing to the Board to be of a capital nature and approved by them for the purposes of the grant;
  - " article " means an article of any description (including any means of transport) and includes part of an article;
  - " asset " includes any such works as are mentioned in section 6 of this Act;
  - " business " includes a trade or profession but does not include the activities of—
    - (a) a local authority as defined in section 66 of the Finance Act 1965 ;
    - (b) the development corporation established for a new town or the Commission for the New Towns ;
    - (c) a university, school or other establishment of education;



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and references to a person carrying on a business include, except where the context otherwise requires, references to a person proposing to carry on a business ;

" computer " means—

- (a) a stored programme digital computer, or
- (b) an analogue computer, used for automatic data processing and includes part of such a computer ;

" expenditure " in relation to the provision by a person of an asset includes—

- (a) except where the context otherwise requires, expenditure on or incidental to the installation of the asset;
- (b) 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; and
- (c) where the asset is provided by being manufactured or constructed by that person, such sum as appears to the Board to be properly attributable to its provision by him in that manner ;

" 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 ;

" hover vehicle " means a vehicle designed to be supported on a cushion of air and includes part of such a vehicle;

" machinery or plant " includes part of any machinery or plant but does not include a computer, ship or aircraft or any vehicle except—

- (a) a vehicle constructed or adapted for the conveyance of a machine incorporated in or permanently attached to it and of no other load except articles used for the purposes of the machine;
- (b) a vehicle constructed or adapted for the conveyance or haulage of loads in or about private premises, including the site of building or civil engineering operations;

" new " means unused and not second-hand, except that the Board may treat as new anything which has been substantially reconditioned;

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

" ship " includes any vessel used in navigation.

- (2) It is hereby declared that a grant may be made under this Part of this Act to the Postmaster General as to any other person carrying on a business.
- (3) Anything required or authorised by or under this Part of this Act to be done by, to or before the Board may be done by, to or before the President of the Board, any Minister of State with duties concerning the affairs of the Board, any secretary, under-secretary or assistant secretary of the Board or any person authorised in that behalf by the President.
- (4) For the purposes of this Part of this Act and of Schedule 1 to this Act, expenditure shall be treated as incurred at the time when the sums of which it consists become payable.
- (5) A grant may be made under this Part of this Act in respect of any expenditure incurred on or after 17th January 1966 and of any expenditure incurred before that date so far as it consists of a sum paid after that date.

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- (6) For the purposes of the two last foregoing subsections, expenditure which does not consist of a sum payable or paid to another person shall be deemed to consist of a sum payable or, as the case may be, paid at such time as the Board consider appropriate having regard to the time when the matters giving rise to that expenditure occurred.

#### **14 Powers of Parliament of Northern Ireland.**

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 Part of this Act.

## **PART II**

### POWERS IN RESPECT OF DEVELOPMENT AREAS

#### **15 Extension of powers under Local Employment Act 1960.**

- (1) The powers conferred by Part I of the Local Employment Act 1960 shall, notwithstanding subsection (6) of section 1 of that Act, continue to be exercisable after 31st March 1967 ; and the provisions of that Act shall, instead of having effect in relation to development districts as defined in subsection (2) of that section, have effect in relation to areas of Great Britain to be known as development areas.
- (2) The development areas for the purposes of the said Act of 1960 shall be those specified by order of the Board, and the Board may from time to time by order vary or revoke a previous order under this subsection.
- (3) The areas to be specified by the Board under subsection (2) of this section shall be those parts of Great Britain where, in the opinion of the Board, special measures are necessary to encourage the growth and proper distribution of industry; and in exercising their powers under that subsection the Board 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.
- (4) An order under subsection (2) of this section may describe a 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.
- (5) The power to make orders under subsection (2) of this section shall be exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (6) Any reference to a development area in the said Act of 1960 or in the subsequent provisions of this Part of this Act shall have effect as if there were included in the development area any locality outside that area, being—
  - (a) an area in England or Wales which has been designated under the New Towns Act 1965, or any enactment repealed by that Act, as the site of a new town or an area in Scotland which has been designated as such under the New Towns Act 1946 ;

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- (b) a locality which in relation to the development area, or to that area and any other place, is a receiving district within the meaning of the Town Development Act 1952 or falls to be treated as such a receiving district by virtue of an order under section 34 of the Housing Act 1961 ; or
- (c) a burgh or county the council of which are, in relation to the development area, or to that area and any other place, a receiving authority within the meaning of Part II of the Housing and Town Development (Scotland) Act 1957,

as respects which the Board and the Treasury are satisfied that it ought to be treated as if it were so included by reason of the fact that its population will be, or is being, increased by migration from one or more specific places in the development area and that the increase will be substantial in relation to the original population of the locality; and the Board shall give notice in such manner as appears to them appropriate of the localities as respects which they and the Treasury are for the time being satisfied as aforesaid.

- (7) In determining whether and in what manner to exercise their powers under sections 2, 3 and 4 of the said Act of 1960 (provision of premises, building grants and general loans and grants) for the benefit of any development area the Board shall have regard—
  - (a) to the relation between the expenditure involved and the employment likely to be provided ; and
  - (b) to any consequential effect on employment in any other part of that development area and in other development areas.
- (8) The fact that any locality which was a development district, or was by virtue of section 1(4) of the said Act of 1960 treated as if it formed part of such a district, immediately before the date of the commencement of this Act does not on that date become a development area shall not prejudice—
  - (a) the completion by the Board of buildings or works begun by them before that date in the locality under section 2 of the said Act of 1960, or the exercise by the Board in relation to land in that locality of their powers under that section so far as may be necessary for the purpose of fulfilling any agreement entered into by the Board before that date;
  - (b) the making of a grant or loan under Part I of that Act in any case in which an application for the grant or loan was received by the Board or the Minister concerned before that date ; or
  - (c) the continued operation of any agreement relating to grants or loans entered into under that Act.

## **16 Ending of grants for machinery and plant.**

- (1) Subject to the provisions of this section, section 1 of the Local Employment Act 1963 (grants for machinery and plant) shall cease to have effect.
- (2) Subsection (1) of this section shall not preclude the making of a grant under the said section 1 in any case in which an application for the grant was received by the Board before the commencement of this Act.
- (3) Where a grant has been made under the said section 1 in respect of any machinery or plant, the amount of any grant at the development area rate subsequently made in respect thereof under Part I of this Act shall be reduced by the amount of the grant under the said section 1 ; and no grant shall be made under the said section 1 by virtue of subsection (2) of this section in respect of any machinery or plant if a grant at the

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development area rate has been previously made in respect thereof under Part I of this Act.

- (4) In the last foregoing subsection " the development area rate " means the rate of forty per cent. specified in section 1(6) or 2(2) of this Act or the rate for the time being substituted for it by an order under section 7 of this Act.

## **17 Amendments as to building grants.**

- (1) In relation to any case in which it appears to the Board that an application for a grant under section 3 of the Local Employment Act 1960 (building grants) is made for the purpose of setting up an undertaking in a development area in circumstances which justify the giving of special assistance under that section, section 2(1) of the Local Employment Act 1963 (which provides for the amount of such a grant to be twenty-five per cent. of the expenditure in respect of which it is made) shall have effect as if for the reference to twenty-five per cent. there were substituted a reference to thirty-five per cent.
- (2) The amount of a grant under the said section 3 may be less than the amount prescribed by the said section 2(1) in any case in which it appears to the Board that the employment likely to be provided as a result of the expenditure in respect of which the grant is to be made does not justify a grant of the amount so prescribed.
- (3) In the said section 3, and in section 2(1) and (2) of the said Act of 1963, references to providing a building shall include references to purchasing a new building (that is, a building not previously occupied) but, in calculating for the purposes of grant under the said section 3 the expenditure incurred in purchasing a building, no account shall be taken of any expenditure which, in the opinion of the Board, is not attributable to the cost of constructing it.
- (4) Where a building constructed with a view to being let to another person includes special features at the request of that person and he is required to pay a capital sum in consideration thereof, a grant may be made to him under the said section 3 as if that sum were expenditure incurred by him in providing the building, and the said section 2 shall have effect in relation to any such grant accordingly.
- (5) In this section references to a building include references to an extension of a building and to a structure.

## **18 Amendments as to general loans and grants.**

- (1) Where a person carrying on or proposing to carry on an undertaking in a development area is a company incorporated in the United Kingdom—
- (a) the terms on which the Board may agree to make a loan for the purposes of that undertaking under section 4 of the Local Employment Act 1960 may include terms providing for the indebtedness to the Board to be discharged by the issue of shares or stock in the company; and
  - (b) the Board may, instead of or as well as giving assistance under that section by making a loan or grant, give assistance under that section by subscribing for or otherwise acquiring shares or stock in the company;
- and the provisions of the said section 4 shall have effect in relation to assistance given under that section by virtue of paragraph (b) above as they have effect in relation to assistance given under that section by the making of loans or grants.

- (2) Without prejudice to section 24 of the said Act of 1960 (performance of functions of the Board under that Act) any document required to be executed by the Board in connection with the exercise of their powers under the said section 4 as extended by this section may be executed by any of the persons mentioned in the said section 24.
- (3) Section 66 of the Harbours and Passing Tolls Act 1861 (which makes provision where lands are vested in the Board) shall have effect as if the expression " lands " in that section included any shares or stock vested in the Board in pursuance of subsection (1) of this section.
- (4) A grant may be made under the said section 4 in respect of expenditure incurred outside a development area in connection with the transference of any undertaking to a development area.

## **19 Industrial Estates Corporations.**

- (1) The names of the corporations established by section 8 of the Local Employment Act 1960 are hereby changed as follows—
  - (a) the Industrial Estates Management Corporation for England is renamed the English Industrial Estates Corporation;
  - (b) the Industrial Estates Management Corporation for Scotland is renamed the Scottish Industrial Estates Corporation; and
  - (c) the Industrial Estates Management Corporation for Wales is renamed the Welsh Industrial Estates Corporation ;and accordingly the said new names shall be substituted for the previous names in any enactment passed or instrument made before, and in any legal proceedings pending at, the commencement of this Act.
- (2) Each of the said corporations shall have power to provide, or assist in the provision of, advisory services in relation to the building of factories or the development or management of industrial estates, but shall not exercise that power except with the consent of, and in such manner as may be determined by, the Board; and the reference in subsection (6) of section 9 of the said Act of 1960 (expenses) to functions of the said corporations under the foregoing provisions of that section shall include a reference to the functions of a corporation under this subsection.
- (3) It is hereby declared that the power of each of the said corporations under the said section 9 to provide services or other facilities for meeting the requirements of undertakings is exercisable whether or not the undertaking in question is carried on on land leased from the corporation, but where it is not so carried on subsection (2) of that section (which enables the Board by direction to control the provision by a corporation of some, but not all, such services and facilities) shall have effect as if it enabled the Board by direction to control the provision by the corporation of all such services and facilities.
- (4) If it appears to the Board that an undertaking is to be set up in a development area in circumstances which justify the giving of special assistance, the Board may authorise any of the said corporations to provide premises for the occupation of the undertaking free of rent for such period as the Board think appropriate.

## **20 Derelict land.**

- (1) Where in the case of any land in a development area—

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- (a) it appears to the Minister that the land is derelict, neglected or unsightly ; and
  - (b) it appears to the Board that it is expedient with a view to contributing to the development of industry in that area that steps should be taken for the purpose of enabling the land (hereafter in this section referred to as " the derelict land ") to be brought into use or of improving its appearance,
- the powers conferred by subsections (2) and (3) of this section shall be exercisable by the Board and the Minister respectively.
- (2) The Board may acquire by agreement or, if so authorised, compulsorily the derelict land and any other land the acquisition of which is reasonably required for the purpose mentioned in subsection (1)(b) of this section, and carry out on the derelict land and any other land such work as appears to them expedient for that purpose.
  - (3) The Minister may with the consent of the Treasury make grants, in such manner as appears to him to be requisite for the purpose mentioned in subsection (1)(b) of this section, to the council of the county, county borough or county district in which the land in question is situated—
    - (a) towards the cost of the exercise of any power of the council to acquire the derelict land or any other land ;
    - (b) towards the cost of the carrying out by the council for that purpose of any work on the derelict land or on any other land.
  - (4) In this section " the Minister ", as respects land in England exclusive of Monmouthshire, means the Minister of Housing and Local Government and, as respects land in Scotland or in Wales or Monmouthshire, means the Secretary of State; and " land " includes land covered with water.
  - (5) In the application of subsection (3) of this section to Scotland for any reference to the council of the county, county borough or county district in which the land in question is situated there shall be substituted a reference to any local authority, as defined for the purposes of the Local Government (Scotland) Act 1947, within whose area the land in question is situated.
  - (6) Section 5 of the Local Employment Act 1960 (which is superseded by this section) shall cease to have effect, but this subsection shall not preclude the making of a grant under that section by the Minister in any case in which an application for the grant was received by him before the commencement of this Act.

## **21 Other amendments of Local Employment Act 1960.**

- (1) The Board may modernise, adapt or reconstruct any buildings or other works on land acquired by the Board under, or vested in the Board by, Part I of the Local Employment Act 1960, and, where the execution of that work will interrupt the use of the buildings or works by any undertaking, acquire other land by agreement, and erect buildings and carry out works on that other land, or on land previously acquired by or vested in the Board as aforesaid, for the purpose of providing premises for the occupation of that undertaking or of otherwise meeting its requirements.
- (2) In exercising his power under subsection (1) of section 7 of the said Act of 1960 (power of Minister in charge of any government department to give financial assistance for the improvement of basic services for a development area) the Minister concerned shall consider whether the improvement is expedient with a view to contributing to the development of industry in that area and not (as provided by that subsection) whether

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it is expedient for the purposes of Part I of that Act (that is to say, for the purpose of providing employment for the benefit of the area).

- (3) In relation to any financial year beginning after 31st March 1966, the activities as respects which the Board are required to prepare a statement of accounts under section 10(5) of the said Act of 1960—
- (a) shall not include the activities of the Board in respect of grants under Part I of that Act or section 1 of the Local Employment Act 1963 ; but
  - (b) shall include their activities in respect of loans under section 27 or by virtue of section 28(3)(a) of that Act (assistance for safeguarding previous loans and assistance under previous legislation).
- (4) Where at any time a locality ceases to be a development area, the fact that it is no longer such an area shall not prejudice—
- (a) the completion by the Board of buildings or works begun before that time in the locality under section 2 of the said Act of 1960 or section 20 of this Act, or the exercise by the Board in relation to land in that locality of their powers under either of those sections so far as may be necessary for the purpose of fulfilling any agreement entered into by the Board before that time;
  - (b) the making of a grant under section 3 of that Act in any case in which an application for the grant was received by the Board before that time or in which the expenditure in respect of which the grant is to be made consists of sums payable by virtue of a contract entered into before that time;
  - (c) the making of any other grant or of a loan under Part I of that Act, the giving of assistance under section 4 of that Act or the making of a grant under section 20 of this Act in any case in which an application for the grant, loan or assistance was received by the Board or the Minister concerned before that time; or
  - (d) the continued operation of any agreement relating to any such grant, loan or assistance as is mentioned in paragraph (b) or (c) above or of any other agreement relating to grants or loans entered into under that Act.
- (5) Section 3 of the Local Employment Act 1963 shall cease to have effect, and section 14(1) of the said Act of 1960 shall cease to have effect except in relation to any locality which has ceased to be a development district before the commencement of this Act.
- (6) No provision of the said Act of 1960 except section 11 (parliamentary disqualification) shall be taken as forming part of the law of Northern Ireland.

### PART III

#### INDUSTRIAL DEVELOPMENT CERTIFICATES

## **22 Certain applications for permission to retain buildings or continue use of land to require certificates.**

- (1) Subject to subsection (2) of this section, an industrial development certificate shall be required for the purposes of an application for planning permission made after the commencement of this Act as mentioned in section 20(1) of the Town and Country Planning Act 1962 if the circumstances are such that, in accordance with section 38 of that Act, such a certificate would have been required if the application had been for planning permission to construct the building, or to institute the use of land,

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which the application seeks permission to retain or continue or (as the case may be) seeks permission to retain or continue without complying with a condition previously imposed.

- (2) Notwithstanding the foregoing subsection, an industrial development certificate shall not be required for the purposes of an application for planning permission to retain a building or continue a use of land after the end of any period specified in, or otherwise without complying with, a condition subject to which a previous planning permission was granted if the condition in question is not one subject to which the previous planning permission was granted in accordance with the provisions of section 23 of this Act or subject to which that planning permission is by virtue of that section deemed to have been granted.
- (3) Where by virtue of this section an industrial development certificate is required for the purposes of an application the said section 38 and section 40 of the said Act of 1962 (provision for cases where an industrial development certificate is withheld) shall apply in relation to that application as they apply in relation to such an application as is mentioned in subsection (1) of the said section 38.
- (4) Any reference in this section to an application made as mentioned in section 20(1) of the said Act of 1962 includes a reference to an application which by virtue of section 64(2) of that Act (appeals against enforcement notices) is deemed to have been made for such planning permission as is mentioned in section 20(2) of that Act.
- (5) Subsection (5) of the said section 38 shall cease to have effect.
- (6) In the application of this section to Scotland—
  - (a) in subsection (1), the words " Subject to subsection (2) of this section " and " or (as the case may be) seeks permission to retain or continue without complying with a condition previously imposed" shall be omitted ;
  - (b) subsections (2) and (4) shall be omitted ;
  - (c) for the reference in subsection (1) to subsection (1) of section 20 of the said Act of 1962 there shall be substituted a reference to subsection (1) of section 16 of the Town and Country Planning (Scotland) Act 1947 ;
  - (d) for the references in subsections (1) and (3) to section 38 of the said Act of 1962 there shall be substituted references to subsection (4) of section 12 of the said Act of 1947 ;
  - (e) for the reference in subsection (3) to section 40 of the said Act of 1962 there shall be substituted a reference to section 59 of the Town and Country Planning (Scotland) Act 1954;
  - (f) for the reference in subsection (5) to subsection (5) of the said section 38 there shall be substituted a reference to subsection (4) of section 19 of the Local Employment Act 1960.

## **23 Restrictions or conditions attached to certificates.**

- (1) An industrial development certificate in respect of any development may be issued subject to such restrictions on the making of an application for planning permission for that development (whether as to the period within which, or the persons by whom, such an application may be made, or otherwise) as the Board consider appropriate having regard to the proper distribution of industry ; and where an industrial development certificate in respect of any development is issued subject to any such restrictions, and an application for planning permission for that development is made which does not



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comply with those restrictions, the provisions of section 38 of the Town and Country Planning Act 1962 or, as the case may be, of section 12(4) of the Town and Country Planning (Scotland) Act 1947 shall apply in relation to that application as if no such certificate had been issued.

- (2) Without prejudice to the foregoing subsection, an industrial development certificate may be issued either unconditionally or subject to such conditions as the Board consider appropriate having regard to the proper distribution of industry ; and any reference in this section to conditions attached to an industrial development certificate is a reference to conditions subject to which such a certificate is issued.
- (3) Without prejudice to the generality of the last foregoing subsection, conditions may be attached to an industrial development certificate for requiring the removal of any building or the discontinuance of any use of land to which the certificate relates at the end of a specified period and the carrying out of any works required for the reinstatement of land at the end of that period.
- (4) In so far as any of the conditions attached to an industrial development certificate are of such a description that (apart from this section) they could not have been imposed under the said Act of 1962 or, as the case may be, under the said Act of 1947, that Act shall apply in relation to any application for planning permission for the purposes of which that certificate is required, and to any planning permission granted on such an application, as if the powers conferred by that Act included power to impose conditions of that description.
- (5) Where conditions are attached to an industrial development certificate, and, on an application for planning permission for the purposes of which that certificate is required, planning permission is granted, the authority granting the permission shall grant it subject to those conditions, with or without other conditions.
- (6) Planning permission to which the last foregoing subsection applies shall not be invalid by reason only that the requirements of that subsection are not complied with; but where any such planning permission is granted without complying with the requirements of that subsection the planning permission shall be deemed to have been granted subject to the conditions attached to the industrial development certificate, or (if any other conditions were imposed by the authority granting the permission) shall be deemed to have been granted subject to the conditions attached to the certificate in addition to the conditions so imposed.

## **24 Provisions as to conditions imposed under s. 23.**

- (1) This section applies to any condition subject to which planning permission is granted in accordance with the provisions of section 23 of this Act, or subject to which planning permission is by virtue of that section deemed to have been granted, whether it is a condition which could have been imposed apart from that section or not.
- (2) If the planning permission is or was granted by the local planning authority, the Minister shall not be required to entertain an appeal under section 23 of the Town and Country Planning Act 1962 from the decision of the local planning authority, in so far as that decision relates or related to any condition to which this section applies.
- (3) On an appeal under section 46 of the said Act of 1962 against an enforcement notice relating to anything done in contravention of a condition to which this section applies, the Minister shall not be required to entertain the appeal in so far as the appellant claims that planning permission free from that condition ought to be granted.

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- (4) No compensation under Part VI, Part VII or Part X of the said Act of 1962 shall be payable in respect of the imposition of any condition to which this section applies.
- (5) For the purposes of section 129(1)(b) of the said Act of 1962 (which relates to purchase notices) no account shall be taken of any condition to which this section applies.
- (6) If any condition imposed by an authority granting planning permission is inconsistent with any condition to which this section applies, the last-mentioned condition shall prevail in so far as it is inconsistent with the condition so imposed.
- (7) Where on an application made as mentioned in section 20(1) of the said Act of 1962 (as modified by section 22 of this Act) planning permission is granted (either unconditionally or subject to conditions) for a building to be retained, or a use of a building to be continued, without complying with a condition to which this section applies (that condition being one subject to which a previous planning permission was granted or is deemed to have been granted), nothing in section 23 of this Act or in the foregoing provisions of this section shall be construed as preventing the subsequent planning permission from operating so as to extinguish or modify that condition, as the case may be.
- (8) In the application of this section to Scotland and to Wales and Monmouthshire, for the references in subsections (2) and (3) to the Minister there shall be substituted references to the Secretary of State.
- (9) In the application of this section to Scotland—
  - (a) for the reference in subsection (2) to section 23 of the said Act of 1962 there shall be substituted a reference to section 14 of the Town and Country Planning (Scotland) Act 1947;
  - (b) for the reference in subsection (3) to section 46 of the said Act of 1962 there shall be substituted a reference to section 21 of the said Act of 1947;
  - (c) for the reference in subsection (4) to Parts VI, VII and X of the said Act of 1962 there shall be substituted a reference to Parts II and IV of the Town and Country Planning (Scotland) Act 1954, and Schedule 4 to the Town and Country Planning (Scotland) Act 1945 ;
  - (d) for the reference in subsection (5) to section 129(1)(b) of the said Act of 1962 there shall be substituted a reference to section 17(1)(b) of the said Act of 1947;
  - (e) subsection (7) shall be omitted.

## **25      Extension of meaning of " industrial building " .**

- (1) In the Local Employment Act 1960 and in the Town and Country Planning Act 1962 (except Part VI thereof), the expression " industrial building " shall include, in addition to the buildings specified in section 21 of the said Act of 1960, any building or part of a building used or designed for use for carrying on scientific research in the course of a trade or business.
- (2) In the foregoing subsection " scientific research " means any activity in the fields of natural or applied science for the extension of knowledge.
- (3) For the purposes of the provisions of section 21 of the said Act of 1960 and of subsection (1) of this section, premises which—

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- (a) are used or designed for use for providing services or facilities ancillary to the use of other premises for the carrying on of any such process or research as is mentioned in those provisions ; and
- (b) are or are to be comprised in the same building or in the same curtilage as those other premises,

shall themselves be treated as used or designed for use for the carrying on of such a process or, as the case may be, of such research.

- (4) In subsection (6) of section 38 of the said Act of 1962 (power to prescribe classes of industrial buildings to which that section and section 39 of that Act applies) for the words " classes of industrial buildings " there shall be substituted the words " classes or descriptions of industrial buildings ", and in subsection (2) of the said section 39 after the word " class " in each place where it occurs there shall be inserted the words " or description ".
- (5) In the application of this section to Scotland—
  - (a) in subsection (1) for the words " the Town and Country Planning Act 1962 (except Part VI thereof)" there shall be substituted the words " the Town and Country Planning (Scotland) Act 1947 ";
  - (b) the following subsection shall be substituted for subsection (4) of this section—

“(4) In subsection (4) of section 12 of the Town and Country Planning (Scotland) Act 1947 (under which development permission for the erection of industrial buildings of prescribed classes cannot be sought unless it is certified by the Board that the development in question can be carried out consistently with the proper distribution of industry) for the words ' industrial building of any class ' and ' industrial buildings of any such class' there shall be substituted the words ' industrial building of any class or description' and ' industrial buildings of any such class or description ' respectively.”

## **26 Application of s. 38(2) of Act of 1962 to development areas.**

In subsection (2) of section 38 of the Town and Country Planning Act 1962 (which requires the Board to have particular regard, in connection with the grant of industrial development certificates, to the need for providing appropriate employment in development districts) for the words " development districts " there shall be substituted the words " development areas " ; and in subsection (6) of that section (definitions) for the words from " ' development district' " onwards there shall be substituted the words " ' development area' means any area for the time being specified as such under section 15 of the Industrial Development Act 1966 and subsection (6) of that section (which provides for references to a development area in certain provisions to have effect as if certain localities outside that area were included therein) shall apply to any such reference in this section. "

## **27 Interpretation.**

- (1) Section 221(1) of the Town and Country Planning Act 1962 shall apply for the purposes of this Part of this Act, in its application to England and Wales, as it applies for the purposes of that Act.

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- (2) The following provisions shall apply for the purposes of this Part of this Act, in its application to Scotland, as they apply for the purposes of the Acts in which they are contained—
- (a) section 113(1) of the Town and Country Planning (Scotland) Act 1947;
  - (b) section 69(1) of the Town and Country Planning (Scotland) Act 1954;
  - (c) section 54(1) of the Town and Country Planning (Scotland) Act 1959.

## PART IV

### MISCELLANEOUS AND SUPPLEMENTARY

#### **28 Grants for fishing vessels and equipment.**

- (1) In section 3 of the Sea Fish Industry Act 1962 (which relates to grants in pursuance of schemes made under section 1 or 6 of the White Fish and Herring Industries Act 1953 towards expenditure on fishing vessels and engines and other equipment for such vessels)—
- (a) subsection (5) (which precludes the approval of applications for such grants after 31st December 1972), and
  - (b) subsection (7) (which provides that the aggregate amount of such grants shall not exceed £17 million or such greater sum as may from time to time be prescribed),
- shall cease to have effect; and subsection (8) (which limits the amount of such a grant to three-tenths of the expenditure where the vessel in question is less than eighty feet in length, and to one quarter of the expenditure in any other case) shall have effect, in relation to any such grants as are mentioned in subsection (2) of this section, with the substitution for the words " three-tenths " of the words " two-fifths " and for the words " one quarter " of the words " seven-twentieths ".
- (2) The grants referred to in the foregoing subsection are grants in respect of expenditure consisting of payments made on or after 17th January 1966, being grants under a scheme made (whether before or after the commencement of this Act) under section 1 or 6 of the said Act of 1953 ; and any such scheme made before the commencement of this Act may be varied accordingly and, in particular, so as to provide for making up the amount of a grant already paid under the scheme to the amount permitted by this section.

#### **29 Exemption from building control in development areas.**

For section 4 of the Building Control Act 1966 (exemption for development districts) there shall be substituted the section set out in Part I of Schedule 3 to this Act (which provides for the exemption to have effect in relation to development areas constituted under this Act).

#### **30 Financial provisions.**

- (1) Any expenses incurred by any government department under or by virtue of this Act shall be defrayed out of moneys provided by Parliament, and any receipts of any government department under or by virtue of this Act shall be paid into the Exchequer.

(2) In this section " government department " does not include the Postmaster General.

**31 Short title, citation, amendments and repeals, interpretation, commencement and extent.**

- (1) This Act may be cited as the Industrial Development Act 1966.
- (2) Part II of this Act shall be construed as one with Part I of the Local Employment Act 1960, and may be cited together with that Act and the Local Employment Act 1963 as the Local Employment Acts 1960 to 1966.
- (3) Part III of this Act may be cited together with the Town and Country Planning Acts 1962 to 1965 as the Town and Country Planning Acts 1962 to 1966 and together with the Town and Country Planning (Scotland) Acts 1947 to 1965 as the Town and Country Planning (Scotland) Acts 1947 to 1966.
- (4) The enactments mentioned in Parts II and III of Schedule 3 to this Act shall have effect subject to the amendments there specified, being amendments consequential on Parts II and III of this Act; and the enactments mentioned in Part IV of that Schedule are hereby repealed to the extent specified in column 3 of that Part.
- (5) Except where the context otherwise requires, any reference in this Act to any enactment shall be construed as a reference to that enactment as amended, and as including a reference thereto as extended or applied, by any other enactment including an enactment contained in this Act.
- (6) This Act shall come into force at the expiration of the period of seven days beginning with the day on which it is passed.
- (7) The following provisions, that is to say—
  - (a) section 14 and the other provisions of Part I so far as they relate to grants made by virtue of any order making such provision as is mentioned in section 7(2); and
  - (b) section 21(6) and so much of subsection (4) of this section and Schedule 3 as amends the House of Commons Disqualification Act 1957,shall extend to Northern Ireland but, save as aforesaid, this Act shall not extend to Northern Ireland.