

*These notes refer to the Scottish Enterprise Act 1999
(c.5) which received Royal Assent on 26 May 1999*

SCOTTISH ENTERPRISE ACT 1999

EXPLANATORY NOTES

INTRODUCTION

1. These Explanatory Notes relate to the Scottish Enterprise Act 1999 which received Royal Assent on 26th May 1999. They have been provided by the Scottish Office to assist the reader in understanding the Act. They do not form part of the Act and have not been endorsed by Parliament.
2. The notes need to be read in conjunction with the Act. They are not, and are not meant to be, a comprehensive description of the Act. So where a section or part of a section does not seem to require any explanation or comment, none is given.

BACKGROUND

3. Scottish Enterprise was established in April 1991 by the Enterprise and New Towns (Scotland) Act 1990 to further the economic development of Scotland. Section 25 (2) of that Act limits the aggregate amount of central government funding that Scottish Enterprise can receive. This limit is defined as the aggregate amount outstanding (AAO). The AAO is made up of the following elements (with the level of funding at 31 March 1998 given in parenthesis): the general external borrowings of Scottish Enterprise and its subsidiaries (£3million); sums issued by the Secretary of State, or the Treasury, in fulfilment of guarantees (nil); loans guaranteed by Scottish Enterprise or its subsidiaries (£0.3 million); and payments from the Secretary of State consisting of grant-in-aid less administrative expenses, plus Voted Loans payments (£2,470 million). The current limit stands at £3,000 million and it is estimated that this will be reached around June 1999. The purpose of this Act is to raise this limit.

COMMENTARY ON SECTIONS

4. [Section 1](#) amends section 25(2) of the 1990 Act to raise the £3,000 million limit on Scottish Enterprise's AAO to £4,000 million and to remove the possibility of any further increase by statutory instrument. It also repeals section 25(3) of that Act, which provides for the parliamentary procedure applying to any such instrument.

COMMENCEMENT

5. The Act will come into force on 26 July 1999.

HANSARD REFERENCES

6. The following table sets out the dates and Hansard references for each stage of this Act's passage through Parliament.

Stage	Date	Hansard reference
House of Commons		
Introduction	2 December 1998	Vol 321 Col 916

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Second Reading	21 January 1999	Vol 324 Cols 1079-1112
Committee	3 February 1999	First Scottish Standing Committee
Third Reading	1 March 1999	Vol 326 Cols 811-819
House of Lords		
Introduction	2 March 1999	Vol 597 Col 1558
Second Reading	22 March 1999	Vol 598 Cols 1067-1080
Committee	13 April 1999	Vol 599 Col 628
Report and Third Reading	22 April 1999	Vol 599 Col 1242

Royal Assent - 26 May 1999	House of Lords Hansard Vol 601 Col 915
	House of Commons Hansard Vol 332 Col 354