

*These notes refer to the Scotland Act 1998 (c.46)
which received Royal Assent on 19th November 1998*

SCOTLAND ACT 1998

EXPLANATORY NOTES

SCHEDULES

Schedule 5

Part II: Preliminary paragraphs

Head C: Trade and Industry

Section C13: Designation of Assisted Areas

Purpose and Effect

This Section reserves the designation of assisted areas. It does not reserve the matter of determining what financial assistance to industry might apply in such areas.

General

Assisted areas are those areas designated as development and intermediate areas under section 1 of the Industrial Development Act 1982. This power to designate assisted areas is exercised by the Secretary of State for Trade and Industry where for economic, social or other reasons of regional policy, additional measures to promote their economic development are considered appropriate. The designation of such areas applies for the purposes of any other Act which refers to development or intermediate areas (e.g. the Derelict Land Act 1982) as well as for the purposes of the 1982 Act.

The Treaty of Rome prohibits state aids that are incompatible with the Common Market. As part of its guidelines on this the European Commission require that particular areas eligible for differing levels of regional state aid should be agreed with the Commission. As a result of the reservation of International and European relations in Part I, paragraph 7 of Schedule 5 negotiations on defining such areas throughout the UK will be a matter for the UK Government, who will, by virtue of this reservation, also be responsible for giving effect to the areas as approved by the Commission.

The 1982 Act also provides for the provision of financial assistance to industry both within assisted areas and more generally. Financial assistance to industry is not reserved, subject to compliance with European Commission guidelines on state aids. Under section 56(1), however, a Minister of the Crown will continue to be able to exercise powers to provide financial assistance to industry under the Industrial Development Act 1982 and other enactments.

Parliamentary Consideration

<i>Stage</i>	<i>Date</i>	<i>Column</i>
LC	23-Jul-98	1126
LC	23-Jul-98	1130

*These notes refer to the Scotland Act 1998 (c.46)
which received Royal Assent on 19th November 1998*

Details of Provisions

This Section reserves the subject-matter of section 1 of the Industrial Development Act 1982. This provides for the Secretary of State to designate areas within Great Britain as assisted areas including the power to prescribe different categories of areas (such as development and intermediate areas) and to provide for preferential treatment of these categories.