



# Industry Act 1972

## 1972 CHAPTER 63

An Act to authorise grants towards expenditure on the provision of assets for industry in certain regions in Great Britain, to authorise the provision of financial assistance for industry in those regions or elsewhere, and provisions about credits and grants for the building of ships and of offshore installations, to amend the Local Employment Act 1972 and to make temporary provision as to one of the areas to be treated as a development area under that Act; and for connected purposes. [9th August 1972]

### Commencement Information

**II** Act wholly in force at Royal Assent

### PARTS I, II

1—9. ....<sup>F1</sup>

### Textual Amendments

**F1** Ss. 1—9, 13—16 repealed (with savings) by [Industrial Development Act 1982 \(c. 52, SIF 64\)](#), s. 19(1)(2), [Sch. 2 Pt. I](#), [Sch. 3](#) (and see [Gas Act 1986 \(c. 44, SIF 44:2\)](#), [Sch. 8 para. 37](#) for a modification affecting Pt. I)

### PART III

#### CREDITS AND GRANTS FOR CONSTRUCTION OF SHIPS AND OFFSHORE INSTALLATIONS

#### 10 Construction credits.

(1) Subject to the provisions of this section, the Secretary of State may, with the consent of the Treasury, guarantee the payment by any person who is an individual resident in, or

*Status: Point in time view as at 01/01/1996.*

*Changes to legislation: There are currently no known outstanding effects for the Industry Act 1972. (See end of Document for details)*

a body corporate incorporated under the law of any part of, the United Kingdom, any of the Channel Islands or the Isle of Man of any sum payable by that person in respect of principal or interest under arrangements (whether by way of loan or otherwise) entered into by that person for the purpose of financing the construction to the order of that person [<sup>F2</sup>in any Member State] of a ship or mobile offshore installation of the qualifying size, and its equipment to his order.

- (2) The aggregate of the liability at any time of the Secretary of State under guarantees given by him under this section and section 7 of the <sup>M1</sup>Shipbuilding Industry Act 1967 (which is superseded by this section) shall not exceed the limit specified in subsection (3) below less the amount of any sums which have been paid by the Secretary of State to meet a liability falling within subsection (1) [<sup>F3</sup>or (7A)] of this section or the said section 7 and have not been repaid to him.
- (3) The said limit shall be £1,000 million, but the Secretary of State may by order made with the consent of the Treasury increase or further increase that limit to any sum not exceeding [<sup>F4</sup>£1,800 million].
- (4) An order under this section shall be contained in a statutory instrument, and such an order shall not be made unless a draft of the order has been approved by a resolution of the Commons House of Parliament.
- (5) The Secretary of State may make a loan to any person who is the creditor in respect of a sum the payment of which has been guaranteed by the Secretary of State under this section or section 7 of the <sup>M2</sup>Shipbuilding Industry Act 1967.
- (6) The aggregate amount of loans outstanding under subsection (5) above shall not at any time exceed the aggregate of the liability of the Secretary of State at that time in respect of guarantees given under this section and section 7 of the <sup>M3</sup>Shipbuilding Industry Act 1967 less the amount of any sums which have been paid by the Secretary of State to meet a liability falling within subsection (1) [<sup>F3</sup>or (7A)] of this section or the said section 7 and have not been repaid to him.
- (7) A guarantee or loan under this section shall be given or made on such terms and conditions as may, with the approval of the Treasury, be specified in any relevant agreement.
 

<sup>F5</sup>(7A) The Secretary of State, with the consent of the Treasury, may renew—

  - (a) any guarantee given under section 7 of the <sup>M4</sup>Shipbuilding Industry Act 1967, and
  - (b) any guarantee given under this section, including a guarantee previously renewed by virtue of this subsection,

on the transfer of any liability to which it relates, or of part of any such liability, from a body corporate such as is mentioned in subsection (1) above to another such body corporate in the same group.
- (7B) Two bodies corporate are in the same group for the purposes of subsection (7A) above if one is the other's holding company or both are subsidiaries of a third body corporate.]
- (8) References in this section to the liabilities of the Secretary of State do not include any liability in respect of interest on any principal moneys the payment of which is the subject of any guarantee given under this section or section 7 of the <sup>M5</sup>Shipbuilding Industry Act 1967.

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- (9) In this section “construction” includes the completion of a partially constructed ship or installation [<sup>F6</sup>and the alteration of a ship or installation and of a partially constructed ship or installation][<sup>F7</sup>and “holding company” and “subsidiary” have the meanings assigned to them [<sup>F8</sup>by section 736 of the Companies Act 1985,][<sup>F9</sup>or by Article 4 of the Companies (Northern Ireland) Order 1986].]

#### Subordinate Legislation Made

- P1** S. 19: for exercise of this power before 1.2.1991 see Index to Government Orders

#### Textual Amendments

- F2** Words substituted by S.I. 1987/1807 art. 2
- F3** Words inserted by Industry Act 1975 (c. 68) , s. 24(1)
- F4** Words substituted by Industry Act 1975 (c. 68) , s. 23
- F5** S. 10(7A)(7B) inserted by Industry Act 1975 (c. 68) , s. 24(2)
- F6** Words inserted by Shipbuilding Act 1979 (c. 59, SIF 64) , s. 2
- F7** Words added by Industry Act 1975 (c. 68) , s. 24(3)
- F8** Words substituted by Companies Act 1989 (c. 40, SIF 27), ss. 144(4), 213(2), Sch. 18 para. 9 (subject to the transitional provisions referred to in S.I. 1990/1392, arts. 2(d), 6)
- F9** Words in s. 10(9) substituted (N.I.) (20.5.1991) by S.I. 1990/1504 (N.I. 10), art. 62(4), Sch. 3 para. 4; S.R. 1991/153, art. 2(a)

#### Modifications etc. (not altering text)

- C1** S. 10 : Functions transferred (1.7.1999) by virtue of 1998 c. 46 , ss. 53 , 56(1)(f) (with s. 126(3)-(11)); S.I. 1998/3178 , art. 3 .

#### Marginal Citations

- M1** 1967 c. 40 .
- M2** 1967 c. 40 .
- M3** 1967 c. 40 .
- M4** 1967 c. 40 .
- M5** 1967 c. 40 .

#### [<sup>F10</sup>10A Interest grants.

The Secretary of State, with the consent of the Treasury, may make a grant, on such terms and conditions as he may determine, to any person who is or has been a creditor in respect of principal money the payment of which has been guaranteed under section 10 above or section 7 of the <sup>M6</sup>Shipbuilding Industry Act 1967, for the purpose of supplementing the interest receivable or received by him on that principal money (including interest for periods before the coming into force of this Act).]

#### Textual Amendments

- F10** S. 10A inserted by Industry Act 1975 (c. 68), s. 25

#### Modifications etc. (not altering text)

- C2** S. 10A: Functions transferred (1.7.1999) by virtue of 1998 c. 46, ss. 53, 56(1)(f) (with s. 126(3)-(11)); S.I. 1998/3178, art. 2(1).

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### Marginal Citations

M6 1967 c. 40.

## 11 Construction grants.

- (1) Subject to the provisions of this section, the Secretary of State may make a grant to any person who has entered into a contract to construct a ship or mobile offshore installation in the United Kingdom and to equip it, if in the opinion of the Secretary of State—
  - (a) it has been constructed in the United Kingdom;
  - (b) its construction on the berth commenced before 1st January 1975;
  - (c) it has been delivered on or after 1st January 1972 by the person who contracted to construct it to the person entitled to receive it under the contract;
  - (d) it is of the qualifying size.
- (2) For the purpose of calculating the amount of grant under subsection (1) above in respect of a ship or installation, the interval between the commencement of construction on the berth and the date of delivery shall be divided, subject to subsection (4) below, into five equal periods, and the contract price shall be treated as if it had been payable in the following percentages on the following dates, namely—
  - (a) on the date of commencement of construction on the berth, 10 per cent.;
  - (b) on the date on which the four successive periods respectively commence, the following percentages, namely—
    - (i) 15 per cent.;
    - (ii) 20 per cent.;
    - (iii) 25 per cent.;
    - (iv) 20 per cent.;
  - (c) on the date of delivery, 10 per cent.
- (3) Grant may be paid where any percentage of the contract price of a ship or installation falls to be treated under subsection (2) above as payable in 1972, 1973 or 1974, and the rate of grant shall be the following percentages of the sum so treated, namely—
  - (a) if the relevant year is 1972, 10 per cent.;
  - (b) if the relevant year is 1973, 4 per cent.;
  - (c) if the relevant year is 1974, 3 per cent.
- (4) In any case where the interval between the commencement of construction on the berth and the date of delivery is not a number of days which is a multiple of five, the reference to five equal periods in subsection (2) above shall be taken to be a reference to five periods each consisting of a whole number of days determined by the Secretary of State, and of equal length so far as possible.
- (5) In calculating the amount of grant the Secretary of State may deduct from the contract price any such amount as in his opinion is attributable to equipment for the ship or installation in respect of which he considers (for any reason) that grant ought not to be paid.
- (6) The Secretary of State may make payments on account of grant under this section to a person who has entered into a contract to construct a ship or installation in the United Kingdom and to equip it, if construction on the berth has commenced and it appears

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to the Secretary of State that grant will ultimately be payable under this section in respect of it.

- (7) The references in subsections (1) and (6) above to a person who has entered into a contract to construct a ship or installation include references to a person who has entered into a contract to complete a partially constructed ship or installation, but in relation to such a ship or installation the Secretary of State may determine the amount of the grant in such manner as is in his opinion appropriate in all the circumstances.
- (8) The Secretary of State may make the payment of a grant subject to such conditions as he thinks fit, and may impose a condition for repayment of all or any part of a grant in any circumstances; and Schedule 1 to this Act shall have effect for supplementing this subsection.
- (9) No grant shall be paid under this section—
- (a) in respect of any ship which on its delivery forms part of Her Majesty's Navy in the right of Her Government in the United Kingdom or is held by any person on behalf of or for the benefit of Her Majesty in that right;
  - (b) to an undischarged bankrupt or his trustee, or to a company in respect of which a winding up order has been made or a resolution for winding up has been passed.
- (10) An application for grant 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.
- (11) In this section, in relation to a ship or installation—
- “commencement of construction on the berth” means commencement of construction on the berth or in any other place from which it is launched;
  - “contract price” means the price payable under the contract for its construction and equipment;
- and any question as to what constitutes the commencement of construction on the berth or what is the contract price shall be determined by the Secretary of State.

**Modifications etc. (not altering text)**

- C3** S. 11: Functions transferred (1.7.1999) by virtue of 1998 c. 46, ss. 53, 56(1)(f) (with s. 126(3)-(11)); S.I. 1998/3178, art. 2(1).

## 12 Interpretation of Part III.

- (1) In this Part of this Act—
- “equipment”, in relation to a ship or installation, means the installation on or in it, or the provision for it, of fixed or movable equipment, or apparatus or furnishings of any kind;
  - “mobile offshore installation” means any installation which is intended for underwater exploitation of mineral resources or exploration with a view to such exploitation and can move by water from place to place without major dismantling or modification, whether or not it has its own motive power;
  - “ship” includes every description of vessel used in navigation.
- (2) For the purposes of this Part of this Act—

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- (a) a ship other than a tug is of the qualifying size if its gross tonnage, ascertained in accordance with regulations under section [F11 19 of the Merchant Shipping Act 1995], is not less than 100 tons;
- (b) a tug is of the qualifying size if it is of not less than 500 brake horsepower;
- (c) an installation is of the qualifying size if it weighs not less than 100 tons excluding fuel and water.

#### Textual Amendments

**F11** Words in s. 12(2) substituted (1.1.1996) by 1995 c. 21, ss. 314(2), 316(2), **Sch. 13 para. 47** (with s. 312(1)).

#### Modifications etc. (not altering text)

**C4** S. 12: Functions transferred (1.7.1999) by virtue of 1998 c. 46, ss. 53, 56(1)(f) (with s. 126(3)-(11)); S.I. 1998/3178, **art. 2(1)**.

## PART IV

### *Miscellaneous and Supplementary Provisions*

13— ..... F12  
16.

#### Textual Amendments

**F12** Ss. 1–9, 13–16 repealed (with savings) by Industrial Development Act 1982 (c. 52, SIF 64), s. 19(1) (2), Sch. 2 Pt. I, **Sch. 3** (and see Gas Act 1986 (c. 44, SIF 44:2), **Sch. 8 para. 37** for a modification affecting Pt. I)

### 17 Financial provisions.

- (1) There shall be paid out of money provided by Parliament any grants under this Act, any other sums paid by the Secretary of State under . . . F13 Part III of this Act, any administrative expenses incurred by the Secretary of State under any provision of this Act and any increase in sums payable out of money provided by Parliament under any Act other than this Act which is attributable to any provision of this Act.
- (2) Any receipts of the Secretary of State under this Act shall be paid into the Consolidated Fund.

#### Textual Amendments

**F13** Words repealed by Industrial Development Act 1982 (c. 52, SIF 64), Sch. 2 Pt. I, **Sch. 3**

### 18 Application to Northern Ireland.

- (1) . . . F14 Part III of this Act, and so much of this Part as relates thereto, shall extend to Northern Ireland.

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- (2) ..... F15
- (3) ..... F16

**Textual Amendments**

- F14** Words repealed by [Industrial Development Act 1982 \(c. 52, SIF 64\), Sch. 2 Pt. I, Sch. 3](#)
- F15** [S. 18\(2\)](#) repealed by [Northern Ireland Constitution Act 1973 \(c. 36, SIF 29:3\), Sch. 6 Pt. I](#)
- F16** [S. 18\(3\)](#) repealed by [Industrial Development Act 1982 \(c. 52, SIF 64\), Sch. 2 Pt. I, Sch. 3](#)

**19 Short title, transitory provisions and repeals.**

- (1) This Act may be cited as the Industry Act 1972.
- (2) The provisions of . . . <sup>F17</sup> Schedule 3 to this Act shall have effect as respects the transitory matters there dealt with.
- (3) The enactments mentioned in Schedule 4 to this Act are hereby repealed to the extent specified in column 3 of that Schedule, but subject to any provision at the end of any part of that Schedule.

**Textual Amendments**

- F17** Words repealed by [Industrial Development Act 1982 \(c. 52, SIF 64\), Sch. 2 Pt. I, Sch. 3](#)

**Modifications etc. (not altering text)**

- C5** The text of s. 19(3) and Sch. 4 Pt. II is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

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## SCHEDULES

### SCHEDULE 1

#### ENFORCEMENT OF CONDITIONS ATTACHED TO REGIONAL DEVELOPMENT GRANTS AND GRANTS UNDER PART III

- 1 (1) The Secretary of State may by notice require any person who has received a grant under . . . <sup>F18</sup> Part III of this Act, and any person acting on his behalf, to furnish to the Secretary of State such information, or to produce for examination on behalf of the Secretary of State such books, records or other documents, as may be specified in the notice for the purpose of enabling the Secretary of State 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.
- (2) A notice under this paragraph 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.
- (3) A notice under this paragraph may be served—
- (a) by delivering it to the person on whom it is to be served;
  - (b) by delivering 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.

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**Textual Amendments**  
**F18** Words repealed by [Industrial Development Act 1982 \(c. 52, SIF 64\)](#), [Sch. 2 Pt. I](#), [Sch. 3](#)

2 . . . . . <sup>F19</sup>

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**Textual Amendments**  
**F19** [Sch. 1 paras. 2, 3\(3\)](#) repealed by [Industrial Development Act 1982 \(c. 52, SIF 64\)](#), [Sch. 2 Pt. I](#), [Sch. 3](#)

- 3 (1) Any person who in purported compliance with a notice under paragraph 1 of this Schedule knowingly or recklessly makes any statement or produces any document



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which is false in a material particular shall be guilty of an offence and liable on summary conviction to a fine not exceeding £400, or on conviction on indictment to a fine, or to imprisonment for a term not exceeding two years, or to both.

(2) Any person who without reasonable excuse fails to comply with a notice under paragraph 1 of this Schedule shall be guilty of an offence and liable on summary conviction to a fine not exceeding £400.

(3) ..... F20

#### Textual Amendments

**F20** Sch. 1 paras. 2, 3(3) repealed by Industrial Development Act 1982 (c. 52, SIF 64), Sch. 2 Pt. I, Sch. 3

4 (1) Any person who without reasonable excuse fails to comply with any condition subject to which a grant was made to him under . . . F21 Part III of this Act requiring him to inform the Secretary of State of any event whereby the grant becomes repayable in whole or in part shall be guilty of an offence and liable on conviction to a fine which on summary conviction shall not exceed [F22level 5 on the standard scale].

(2) ..... F23

(3) Summary proceedings in Scotland for an offence under this paragraph 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 [F24section 331 of the M7Criminal Procedure (Scotland) Act 1975], 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 Secretary of State, within twelve months after the date on which it came to the knowledge of the Secretary of State; and [F24subsection (3) of the said section 331] shall apply for the purposes of this paragraph as it applies for the purposes of that section.

(4) ..... F25

(5) For the purposes of this paragraph, a certificate of the Secretary of State, . . . F26, the Lord Advocate . . . F27, as the case may be, as to the date on which such evidence as aforesaid came to his knowledge shall be conclusive evidence of that fact.

#### Textual Amendments

**F21** Words repealed by Industrial Development Act 1982 (c. 52, SIF 64), Sch. 2 Pt. I, Sch. 3

**F22** Words substituted by virtue of (E.W.) Criminal Justice Act 1982 (c. 48, SIF 39:1), ss. 38, 46, (S.) Criminal Procedure (Scotland) Act 1975 (c. 21, SIF 39:1), ss. 289F, 289G (as inserted by Criminal Justice Act 1982 (c. 48, SIF 39:1), s. 54) and (N.I.) S.I. 1984/703 (N.I. 3), arts. 5, 6

**F23** Sch. 1 para. 4(2) repealed by Criminal Law Act 1977 (c. 45), Sch. 13

**F24** Words substituted by virtue of Criminal Procedure (Scotland) Act 1975 (c. 21), s. 460(1)(b)

**F25** Sch. 1 para. 4(4) repealed by S.I. 1980/704 (N.I. 6), Sch. 2

**F26** Words repealed by Criminal Law Act 1977 (c. 45), Sch. 13

**F27** Words repealed by S.I. 1980/704 (N.I. 6), Sch. 2

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#### Marginal Citations

**M7** 1975 c. 21.

- 5 (1) Where an offence under this Schedule 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 this paragraph “director”, in relation to a body corporate established by or under any enactment for the purpose of carrying on under public 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.

### F28F28 SCHEDULE 2

#### Textual Amendments

**F28** Sch. 2 repealed by Industrial Development Act 1982 (c. 52, SIF 64), Sch. 2 Pt. I, Sch. 3

F28

### SCHEDULE 3

Section 19.

#### SHIPBUILDING: TRANSITIONAL PROVISIONS

- 1 The repeals in Part II of Schedule 4 to this Act shall not affect—
- (a) the vesting of any property, rights or liabilities in the Secretary of State under section 9(3) of the <sup>M8</sup>Shipbuilding Industry Act 1967;
  - (b) the operation—
    - (i) of subsections (2) and (7) and, subject to paragraphs 2 and 3 below, of subsection (8), of section 10 of that Act;
    - (ii) of the Shipbuilding Industry Board (Dissolution Provisions) <sup>M9</sup>Order 1971.

#### Marginal Citations

**M8** 1967 c. 40.

**M9** S.I. 1971 No. 1939.

- 2 Any sums received by the Secretary of State by way of repayment of or interest on a loan under the <sup>M10</sup>Shipbuilding Industry Act 1967 shall be paid into the National Loans Fund, and the reference to subsection (5) of section 10 of that Act in subsection (8) of that section shall include a reference to this paragraph.

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**Marginal Citations**

**M10** 1967 c. 40.

- 3 The said subsection (8) shall not require a statement of any guarantees given by the Secretary of State under section 7 of the <sup>M11</sup>Shipbuilding Industry Act 1967 for the financial year beginning on 1st April 1973 or for any subsequent financial year.

**Marginal Citations**

**M11** 1967 c. 40.

SCHEDULE 4

Section 19.

REPEALS

**PART I** ..... <sup>F29</sup>

**Textual Amendments**

**F29** Sch. 4 Pt. I repealed by Industrial Development Act 1982 (c. 52, SIF 64), Sch. 2 Pt. I, **Sch. 3**

**PART II**

SHIPBUILDING

**Modifications etc. (not altering text)**

**C6** The text of s. 19(3) and Sch. 4 Pt. II is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

Chapter	Short Title	Extent of Repeal
1967 c. 40.	The shipbuilding Industry Act 1967.	The whole Act.
1968 c. 13.	The National Loans Act 1968.	In Schedule 1, the entry relations to the Shipbuilding Industry Act 1967.
1968 c. 32.	The Industrial Expansion Act 1968.	Section 10.
1971 c. 46.	The Shipbuilding Industry Act 1971.	The whole Act.

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The above repeals have effect subject to Schedule 3 to this Act.

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**Changes to legislation:**

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