



Scottish Development Agency Act 1975

CHAPTER 69

LONDON

HER MAJESTY'S STATIONERY OFFICE

Scottish Development Agency Act 1975

CHAPTER 69

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Scottish Development Agency Act 1975

1975 CHAPTER 69

An Act to establish a Scottish Development Agency; to provide for the appointment by the Secretary of State of a Scottish Industrial Development Advisory Board; to make provision for assistance in connection with air services serving the Highlands and Islands; and for connected purposes. [12th November 1975]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Establishment and functions of the Agency

1.—(1) For the purpose of furthering the development of Scotland's economy and improving its environment, there shall be established a body to be called the Scottish Development Agency (in this Act referred to as "the Agency") which shall have the functions specified in the following provisions of this Act.

(2) The Agency shall consist of a chairman and not less than eight nor more than twelve other members.

(3) Subject to subsections (6) and (7) below, the chairman and other members of the Agency shall be appointed by the Secretary of State.

(4) The members of the Agency shall be appointed from among persons who appear to the Secretary of State to have a wide experience of, and to have shown capacity in, industry, banking, accounting or finance, environmental matters, local government or the representation of workers, or any other field of activity which the Secretary of State considers is relevant to the discharge of the functions of the Agency.

(5) The Secretary of State may appoint one or more of the Agency's members to be deputy chairman or deputy chairmen.

(6) The Secretary of State, after consultation with the chairman or chairman-designate of the Agency, shall make the first appointment of chief executive of the Agency, and thereafter the Agency may, with the approval of the Secretary of State, make subsequent appointments to that office.

(7) The chief executive shall *ex officio* be a member of the Agency.

(8) It is hereby declared that the Agency shall not be regarded as the servant or agent of the Crown or as enjoying any status, immunity or privilege of the Crown, and that the Agency's property is not to be regarded as the property of, or property held on behalf of, the Crown.

(9) The Agency shall not be exempt, except as provided by paragraph 18 of Schedule 1 to this Act, from any tax, duty, rate, levy or other charge whatsoever, whether general or local.

(10) Schedule 1 to this Act shall have effect with respect to the constitution and proceedings of the Agency and other matters relating to the Agency and their members and staff.

General
purposes and
functions.

2.—(1) The purposes for which the Agency may exercise their functions in relation to Scotland or any part thereof are—

- (a) furthering economic development ;
- (b) the provision, maintenance or safeguarding of employment ;
- (c) the promotion of industrial efficiency and international competitiveness ; and
- (d) furthering the improvement of the environment.

(2) The functions of the Agency shall be—

- (a) providing or assisting in the provision of finance to persons carrying on or intending to carry on industrial undertakings ;
- (b) carrying on, or establishing and carrying on, whether by themselves or jointly with any other person, industrial undertakings ;
- (c) otherwise promoting or assisting the establishment, growth, reorganisation, modernisation or development of industry or any undertaking in an industry ;
- (d) providing or adapting sites and providing, adapting, modernising or reconstructing premises for industrial undertakings, or assisting any other person to do any of those things, and providing or assisting in the provision of related services or facilities ;

- (e) managing or assisting in the management of sites and premises for industrial undertakings ;
- (f) promoting industrial democracy in undertakings which the Agency control ;
- (g) undertaking or assisting the undertaking of the development, re-development and improvement of the environment ;
- (h) bringing derelict land into use or improving its appearance ; and
- (i) such other functions as are conferred by or under this Act.

(3) The Agency may do anything, whether in Scotland or elsewhere, which is calculated to facilitate the discharge of their functions or is incidental or conducive to their discharge.

(4) In particular, but without prejudice to the aforesaid generalities, and subject to subsections (6) and (7) below, the Agency shall have power—

- (a) to acquire, hold and dispose of securities ;
- (b) to form bodies corporate ;
- (c) to form partnerships with other persons ;
- (d) to make loans ;
- (e) to guarantee obligations (arising out of loans or otherwise) incurred by other persons ;
- (f) to make grants ;
- (g) to act as agent for other persons ;
- (h) to acquire and dispose of premises, plant, machinery and equipment, and other property ;
- (i) to manage land, to develop land or to carry out works on land, and to maintain or assist in the maintenance of any such works ;
- (j) to make land, premises, plant, machinery and equipment and other property available for use by other persons ;
- (k) to reclaim land from the sea ;
- (l) to provide or assist in the provision of advisory or other services or facilities for any person or undertaking ;
and
- (m) to promote or assist in the promotion of publicity relating to the functions of the Agency.

(5) The functions of the Agency mentioned in subsection (2)(b) above may only be exercised through a company within the meaning of the Companies Act 1948 or through a partnership 1948 c. 38. firm.

(6) Except with the approval of the Secretary of State, the powers mentioned in subsection (4)(a) to (e) above may only be exercised in connection with the Agency's functions mentioned in subsection (2)(a) and (b) above.

(7) The power to make grants conferred by subsection (4)(f) above may only be exercised with the consent of the Secretary of State or in accordance with a general authority given by him.

(8) The powers conferred on the Agency by this Act shall be exercisable in relation to land not belonging to them on such terms as may be arranged by agreement with all persons having an interest in the land.

(9) In exercising their functions the Agency shall have regard to the requirements of agriculture and efficient land management and to the desirability of safeguarding the environment.

(10) For the avoidance of doubt, it is hereby declared that nothing in this Act is to be construed as authorising the disregard by the Agency of any enactment or rule of law.

Ancillary powers of Agency.

3. The Agency shall have power—

- (a) to make such charge for any of their services as they think fit ;
- (b) to accept any gift or grant made to them for the purposes of any of their functions and, subject to the terms of the gift or grant and to the provisions of this Act, to apply it for those purposes ;
- (c) to carry out or commission the carrying out of such enquiries, investigations or researches as the Agency may deem necessary or expedient for the purposes of their functions.

Power of Secretary of State to give Agency directions.

4.—(1) After consulting with the Agency, the Secretary of State may give the Agency directions of a general or specific character as to the exercise of their functions ; and it shall be the duty of the Agency to give effect to any such directions.

(2) Subject to paragraph 9(3) of Schedule 2 to this Act, when the Secretary of State gives a direction under this section he shall either—

- (a) lay a copy of the direction before each House of Parliament within 28 days of giving it ; or
- (b) lay a copy later, but lay with it a statement of the reason why a copy was not laid within 28 days.

(3) The Agency's report for any financial year shall set out any direction given under this section during that year.

Various powers of the Agency

5.—(1) In any case where it appears to the Secretary of State that the powers conferred on him by section 7 of the Industry Act 1972 (power to give selective financial assistance) are exercisable and ought to be exercised, the Secretary of State, with the consent of the Treasury, may direct the Agency to exercise them; and the Agency shall not require the consent of the Treasury to the exercise of any such powers in pursuance of such a direction.

Exercise by Agency of powers to give selective financial assistance under Industry Act 1972.

(2) It shall be the Agency's duty to give effect to any such direction.

1972 c. 63.

(3) The Secretary of State shall consult the Agency before giving any such direction.

(4) A direction shall specify—

- (a) the purpose for which and manner in which the Agency are to exercise the powers,
- (b) the amount of assistance that they are to give, and
- (c) terms and conditions on which the assistance is to be given.

(5) Any direction given under this section may be varied or revoked by a subsequent direction so given but nothing in a subsequent direction shall relieve the Agency of a contractual liability to which they are subject in consequence of an earlier direction.

(6) As soon as practicable after the Secretary of State has given a direction under this section he shall lay before each House of Parliament a statement specifying—

- (a) the amount of assistance that the Agency are to give in pursuance of the direction;
- (b) how and to whom they are to give it; and
- (c) the location in which each undertaking for which it is provided is or will be situated.

(7) The Agency's report for any financial year shall specify any direction that has been given under this section during that year and give the information concerning it that is required to be specified in a statement under subsection (6) above.

(8) In any case where the Agency are exercising the Secretary of State's powers in pursuance of a direction under this section, section 7(4) of the Industry Act 1972 (which requires the consent of a company to the acquisition of its shares or stock) shall be construed, notwithstanding the fact that the direction has been given, as requiring the Secretary of State (and not the Agency) to obtain the consent.

(9) If the Agency acquire property in pursuance of any such direction, the Secretary of State shall reimburse them the consideration given for the acquisition and the costs and expenses of and incidental to it.

(10) If they make a grant in pursuance of any such direction, he shall pay them a sum equal to the amount of that grant.

(11) If they make a loan in pursuance of any such direction, he shall make them a loan of the same amount and, subject to subsection (12) below, on such terms as he considers appropriate.

(12) The terms of a loan under subsection (11) above shall only require the Agency to repay the loan when the debtor repays them the loan which they made him.

(13) If the Agency give assistance in pursuance of any such direction by way of any form of insurance or guarantee, the Secretary of State shall assume a correlative liability towards them.

(14) In exercising their powers under this section the Agency shall not be regarded as the servant or agent of the Secretary of State.

Provision of sites and premises for industry.

6.—(1) The Agency shall exercise its powers of providing or managing industrial sites and premises and related facilities in accordance with arrangements to be approved by the Secretary of State.

(2) Any such arrangement may provide that, if it appears to the Secretary of State that there are circumstances which justify the giving of special assistance, he may authorise the Agency to provide premises for the occupation of an undertaking free of rent for such time as the Secretary of State thinks appropriate.

(3) Without prejudice to the generality of subsection (1) above, the Secretary of State may authorise the Agency to undertake or assist in the provision of means of access or other services or facilities in or for an area where this appears to him to be expedient for the purpose of contributing to or supporting the development of industry in that area.

1968 c. 16.

(4) Section 36 of the New Towns (Scotland) Act 1968 (winding up of development corporation) shall have effect as respects the Agency as it has effect as respects local authorities and, accordingly, any reference in that section to local authorities (except the reference to areas of such authorities) shall be construed as including a reference to the Agency.

7.—(1) For the purposes mentioned in section 2(2)(g) of Development this Act, the Agency shall, after consultation with such local and authorities, statutory and other bodies as appear to the Agency improvement to have an interest, from time to time prepare and submit to the Secretary of State for his approval proposals for the development, re-development or improvement of any area. of the environment.

(2) The Secretary of State may approve, in whole or in part, or with modifications, any proposals submitted to him under subsection (1) above, or may refuse to approve them, and any such approval may be given in relation to a specific act of the Agency or in relation to all acts of a class or description specified in the approval, and may be given subject to such conditions as may be so specified.

(3) The Agency, either by themselves or by agents or in conjunction with any other person, may implement or assist in implementing proposals approved under this section.

(4) The Agency may appoint any person to act as the agent of the Agency for the purposes of this section.

(5) The Secretary of State may, if he considers it expedient, and subject to subsection (6) below, incorporate in his approval under subsection (2) above a direction that the approval shall have effect as planning permission for the development, and any such direction shall have effect and the provisions of the Town and Country Planning (Scotland) Act 1972 shall apply 1972 c. 52. as if it were planning permission granted by the Secretary of State under section 32 of that Act and as if any conditions to which the approval is subject, being conditions which could have been imposed by the Secretary of State under the said section 32, were conditions of that planning permission.

(6) Before making any direction under subsection (5) above, the Secretary of State shall consult each planning authority concerned, advertise the development proposed, consider any representations in relation thereto and may cause a local inquiry to be held in connection therewith.

(7) Section 267 of the Town and Country Planning (Scotland) Act 1972 shall apply to a local inquiry held by virtue of subsection (6) above as it applies to a local inquiry held by virtue of that section.

(8) The Agency may make payments of such amount and in such manner as they may, with the approval of the Secretary of State and the Treasury determine, to any person towards the cost of carrying out works specified in proposals approved under this section.

1972 c. 52.

(9) Without prejudice to the generality of subsection (8) above, the Agency may make payments to a local authority in accordance with arrangements approved by the Secretary of State, with the consent of the Treasury, in respect of any expenses incurred by that authority in acquiring land, undertaking clearance or carrying out preliminary development works for the purposes of proposals approved under this section, but payments may not be made under this subsection to the extent that grants have been or are to be made to the authority by virtue of sections 237 to 239 of the Town and Country Planning (Scotland) Act 1972 in respect of the acquisition of such land, and grants shall not be made by virtue of the said sections to the extent that payments have been or are to be made to the authority by the Agency under this subsection.

Derelict land.

8.—(1) Where it appears to the Agency that land is derelict, neglected or unsightly and that steps should be taken for the purpose of enabling the land (in this Act referred to as “derelict land”) to be brought into use or of improving its appearance, the Agency shall, in accordance with arrangements approved by the Secretary of State, exercise the powers conferred by this section.

(2) The Agency may acquire, by agreement or compulsorily, the derelict land and any other land, whether or not adjacent to the derelict land, whose acquisition is reasonably required for the purpose of bringing into use or improving the appearance of the derelict land, and may carry out on the derelict land and other land such works as appear to them to be expedient for the purpose of enabling the land to be brought into use or of improving its appearance.

1968 c. 16.

(3) After carrying out works on land under this section, the Agency may dispose of the land free of charge to a local authority or to a development corporation within the meaning of the New Towns (Scotland) Act 1968 for the purpose of use of the land as a public open space.

(4) The Agency may appoint a local authority or other public body to act as their agent for the purposes of this section, and any such authority or body so appointed may exercise any of the powers of the Agency under this section other than the power of the Agency to acquire land compulsorily or to dispose of land under subsection (3) above.

(5) Where the Agency exercise or propose to exercise their powers under this section in connection with land as respects which a local authority have before the appointed day incurred expenditure in the exercise of similar powers, the Agency may, if they think fit, pay to the authority concerned the amount of that expenditure or any part thereof.

(6) The Agency's powers under this section shall be exercisable on and after such date as the Secretary of State may by order appoint (in this section referred to as "the appointed day").

(7) Section 8(3) and (5) of the Local Employment Act 1972 1972 c. 5. (derelict land) shall cease to have effect on the appointed day, except in the case of schemes as respects which an offer of grant has been made by the Secretary of State and the scheme to which it relates has been the subject of a tender accepted by the local authority concerned before that day.

(8) On the appointed day section 10 of the Local Government 1966 c. 51. (Scotland) Act 1966 (derelict land) and section 67(1)(c) of the Countryside (Scotland) Act 1967 (so far as relating to section 1967 c. 86. 2(1)(b) of the Local Government (Development and Finance) 1964 c. 67. (Scotland) Act 1964) shall cease to have effect, except in the case of schemes as respects which an offer of grant has been made by the Secretary of State and the scheme to which it relates has been the subject of a tender accepted by the local authority concerned before that day.

9.—(1) Subject to subsection (4) below, for or in connection with the performance of any of their functions under this Act, the Agency may, in accordance with arrangements made with the Secretary of State—

- (a) by agreement acquire land, whether by way of purchase, feu, lease or excambion ;
- (b) acquire land compulsorily ;
- (c) hold and manage land acquired by them and dispose of, or otherwise deal with, such land.

(2) Except as provided in section 8(3) of this Act, the Agency shall not, except with the consent of the Secretary of State, dispose of or grant a lease of land for a consideration less than the best that can reasonably be obtained.

(3) For the purpose of the acquisition of land by agreement by the Agency, the Lands Clauses Acts (except the provisions relating to the purchase of land otherwise than by agreement and the provisions relating to access to the special Act, and except sections 120 to 125 of the Lands Clauses Consolidation 1845 c. 19. (Scotland) Act 1845) and sections 6 and 70 of the Railways Clauses Consolidation (Scotland) Act 1845 and sections 71 to 78 of that Act, as originally enacted and not as amended for certain purposes by section 15 of the Mines (Working Facilities and Support) Act 1923, shall be incorporated with this section, and in construing those Acts for the purposes of this section, this section shall be deemed to be the special Act, and the Agency to be the promoters of the undertaking or company, as the case may require.

(4) Where the Agency propose to acquire land compulsorily for or in connection with the carrying on of industrial undertakings in any area, they may acquire only such land as appears to them to be necessary to secure an adequate supply of land for industrial undertakings in that area.

1947 c. 42. (5) The Acquisition of Land (Authorisation Procedure) (Scotland) Act 1947 shall apply in relation to the compulsory purchase of land by the Agency as if this Act had been in force immediately before the commencement of that Act and as if the Agency were a local authority within the meaning of that Act.

(6) The power of the Agency to acquire land compulsorily under this Act shall include power to acquire a servitude or other right in or over land by the creation of a new right.

1972 c. 52. (7) For the purposes of section 278 of the Town and Country Planning (Scotland) Act 1972 (general vesting declarations), the Agency shall be deemed to be a public authority to which that section applies.

Powers of entry.

10.—(1) Subject to subsection (2) below, any person duly authorised in writing by the Secretary of State or the Agency may, at any reasonable time, enter upon land in order to survey it—

- (a) where the Agency have under consideration the lease or purchase of the land ;
- (b) for the purpose of the erection of buildings or other structures, or the carrying out of works or other operations on the land or the provision of equipment and services on or in connection with the land ;
- (c) for the purpose of determining whether, and if so in what manner, any of the functions of the Agency or the Secretary of State (other than functions referred to in section 2(2)(a) or (b) of this Act) should be exercised in relation to the land.

(2) A person authorised under this section to enter upon any land shall, if so required by the occupier or anyone acting on his behalf, produce evidence of his authority, and shall not demand admission as of right to any land which is occupied unless at least 5 days' notice, or in the case of land occupied for residential purposes at least 14 days' notice, of the intended entry has been given to the occupier.

(3) Where any land is damaged in the exercise of a power of entry conferred under this section or in the making of any survey for the purpose of which any such power of entry has been so conferred, compensation in respect of that damage may be recovered by any person interested in the land from the

Secretary of State or the Agency, as the case may be and the amount of such compensation shall, in the case of any dispute, be determined by the Lands Tribunal for Scotland.

(4) Any power conferred by this section to survey land shall be construed as including power to search and bore for the purpose of ascertaining the nature of the subsoil or the presence of minerals therein:

Provided that a person shall not carry out any works authorised by this subsection unless notice of his intention so to do has been included in the notice required by subsection (2) of this section, and if the land in question is held by any statutory undertakers, and those undertakers object to the proposed works on the ground that the carrying out thereof would be seriously detrimental to the carrying on of their undertaking, the works shall not be carried out except with the authority of the appropriate Minister.

In this subsection "appropriate Minister" and "statutory undertakers" have the same meanings as they have respectively in sections 213 and 275 of the Town and Country Planning 1972 c. 52. (Scotland) Act 1972 except that "appropriate Minister" includes the Secretary of State for Industry in relation to the Post Office and the Secretary of State in relation to the Civil Aviation Authority and "statutory undertakers" includes the Post Office and the Civil Aviation Authority.

(5) A person entering upon any land by virtue of this section may take with him such other persons as may be necessary, and on leaving any premises which he has so entered, being either unoccupied premises or premises of which the occupier is temporarily absent, shall leave them as effectively secured against unauthorised entry as he found them.

(6) A person who wilfully obstructs any person acting in the exercise of his powers under this section shall be guilty of an offence and shall be liable on summary conviction to a fine not exceeding £100.

(7) If any person who, in compliance with the provisions of this section, is admitted into a factory, workshop or workplace discloses to any person any information obtained by him therein as to any manufacturing process or trade secret, he shall, unless the disclosure is made in the course of performing his duty in connection with the purpose for which he was authorised to enter the premises, be guilty of an offence and liable on summary conviction to a fine not exceeding £400 or on conviction on indictment to imprisonment for a term not exceeding two years or to a fine, or both.

(8) Nothing in this section shall affect any powers or duties of the Post Office under the provisions of the Telegraph Acts 1863

1878 c. 76.

to 1916 or apply to any telegraphic lines (within the meaning of the Telegraph Act 1878) placed or maintained by virtue of any of the provisions of those Acts.

Power to
obtain
information.

11.—(1) For the purpose of enabling the Secretary of State or the Agency to make an order or serve any notice or other document which, by any of the provisions of this Act, he or they are authorised or required to make or serve, the Secretary of State or the Agency may require the occupier of any premises, and any person who, either directly or indirectly, receives rent in respect of any premises, to state in writing the nature of his interest therein, and the name and address of any other person known to him as having an interest therein, whether as superior, owner, heritable creditor, lessee or otherwise.

(2) Any person who, having been required in pursuance of this section to give any information, refuses or fails without reasonable cause to give that information shall be guilty of an offence and liable on summary conviction to a fine not exceeding £100.

(3) Any person who, having been so required to give any information, knowingly makes any misstatement in respect thereof shall be guilty of an offence and liable on summary conviction to a fine not exceeding £400 or on conviction on indictment to imprisonment for a term not exceeding two years or to a fine, or both.

(4) Where an offence under this section committed by a body corporate or a Scottish firm is proved to have been committed with the consent or connivance of, or to have been attributable to any neglect on the part of, any director, partner, manager, secretary or other similar officer of the body corporate or firm or a person who was purporting to act in any such capacity, he as well as the body corporate or, as the case may be, the firm shall be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

(5) Where the affairs of a body corporate are managed by its members, subsection (4) above shall apply in relation to the acts and defaults of a member in connection with his functions of management as if he were a director of the body corporate.

1947 c. 39.

(6) Nothing in section 9 of the Statistics of Trade Act 1947 (restrictions on disclosure of information obtained under that Act) shall prevent or penalise the disclosure by the Secretary of State, the Manpower Services Commission, the Employment Service Agency or the Training Services Agency to an officer of the Agency of information obtained under that Act, consisting

of the name and address of any establishment, the numbers of persons of different descriptions employed there and the nature of the activities carried on there ; and, accordingly, section 4 of the Employment and Training Act 1973 (obtaining and disclosure of information by the Commission and Agencies) shall have effect as if—

- (a) in subsection (3)(e), after the word “ 1972 ” there were inserted the words “ the Scottish Development Agency ” ;
- (b) in subsection (5), after paragraph (d) there were inserted the following paragraph—
 - “ (dd) in the case of information given to an officer of the Scottish Development Agency, the purposes of functions conferred on that Agency by the Scottish Development Agency Act 1975 ; ”.

Financial provisions

12.—(1) After consultation with the Agency, the Secretary of State may, with the approval of the Treasury, determine the financial duties of the Agency, and different determinations may be made in relation to different functions and activities of the Agency.

(2) The Secretary of State shall give the Agency notice of every determination, and a determination may—

- (a) relate to a period beginning before the date on which it is made ;
- (b) contain incidental or supplemental provisions ; and
- (c) be varied by a subsequent determination.

13.—(1) Schedule 2 to this Act (Financial and Administrative Provisions relating to the Agency) shall have effect with respect to the finances of, and certain administrative matters relating to, the Agency.

(2) The aggregate amount outstanding, otherwise than by way of interest, in respect of—

- (a) the general external borrowing of the Agency and their wholly owned subsidiaries ;
- (b) sums issued by the Treasury in fulfilment of guarantees under paragraph 6 of Schedule 2 below and not repaid to the Treasury ;
- (c) sums paid to the Agency by the Secretary of State out of monies provided by Parliament less repayments to the Secretary of State by the Agency (other than payments

made by virtue of paragraph 1(3) of Schedule 2 to this Act) and less such sums paid in respect of the administrative expenses of the Agency ;

- (d) loans guaranteed by the Agency otherwise than under section 5 of this Act and loans guaranteed by a wholly owned subsidiary of the Agency ;

shall not exceed the limit specified in subsection (3) below.

(3) The said limit shall be £200 million, but the Secretary of State may, by order made with the consent of the Treasury, raise the limit to £300 million.

(4) Such an order shall not be made unless a draft of it has been approved by resolution of the House of Commons.

(5) In subsection (2) above, " general external borrowing " means—

- (a) in relation to the Agency, sums borrowed by them other than—

(i) sums borrowed from a body corporate which is one of the Agency's wholly owned subsidiaries at the time of the loan ;

(ii) any sums mentioned in subsection (2)(b) above ;
or

(iii) sums borrowed by the Agency for the purpose of giving assistance under section 5 of this Act ; and

- (b) in relation to a wholly owned subsidiary of the Agency, sums borrowed by it when it was such a subsidiary other than sums borrowed from the Agency or from another wholly owned subsidiary ;

but does not include any debt assumed by the Agency under paragraph 7(1) of Schedule 2 to this Act.

Other limits
on Agency's
powers.

14.—(1) Neither the Agency nor any of their subsidiaries shall acquire any of the share capital of a body corporate except with the consent of the Secretary of State or in accordance with any general authority given by the Secretary of State—

- (a) if its acquisition would entitle the Agency to exercise or control the exercise of 30 per cent. or more of the votes at any general meeting of the body corporate ;
or

- (b) if the value of the consideration for its acquisition, together with the value of any consideration paid for share capital of that body corporate previously acquired, would exceed £2,000,000.

(2) Subsection (1)(a) above shall not restrict the acquisition of share capital of a body corporate which gives a right to vote exercisable only in restricted circumstances.

(3) Nothing in subsection (1) above shall be taken to restrict the power to form bodies corporate conferred on the Agency by section 2(4)(b) above.

(4) In any case where the Agency hold share capital such as is mentioned in subsection (2) above, the fact that they hold it shall be disregarded for the purpose of determining whether subsection (1)(a) above prevents their acquisition of further share capital of the same body corporate.

Miscellaneous

15.—(1) The Scottish Industrial Estates Corporation shall be dissolved on the date of the commencement of this section ; and all interests in property, heritable or moveable, held by the Corporation immediately before that date, shall on that date be transferred to and vest in the Agency, and all rights, liabilities and obligations of the Corporation, to which the Corporation were entitled or subject immediately before that date, shall on that date be transferred to the Agency.

Transfer of property, rights and liabilities of certain bodies to Agency.

(2) For the avoidance of doubt, it is hereby declared that planning permission shall be deemed to have been granted under section 26 of the Town and Country Planning (Scotland) Act 1972 in respect of any development initiated by the Scottish Industrial Estates Corporation before the date of the commencement of this section.

1972 c. 52.

(3) All land in Scotland held by or on behalf of the Secretary of State under any of the enactments mentioned in subsection (4) below at the date of the commencement of this section other than land held in security of a loan shall, on that date, be transferred to and vest in the Agency, and all rights, liabilities and obligations of the Secretary of State relating to the property so transferred immediately before that date shall, on that date, be transferred to the Agency.

(4) The enactments referred to in subsection (3) above are the Distribution of Industry Acts 1945 to 1958, the Local Employment Acts 1960 to 1971 and the Local Employment Act 1972.

1972 c. 5.

(5) The Small Industries Council for Rural Areas of Scotland shall be dissolved on a date specified by order by the Secretary of State, and all interests in property, heritable or moveable, held by that Council immediately before that date shall, on that date, be transferred to and vest in the Agency ; and all rights, liabilities and obligations to which the Council were entitled or subject immediately before that date shall, on that date, be transferred to the Agency.

(6) Schedule 3 to this Act shall have effect in relation to the members and staff of the Scottish Industrial Estates Corporation and of the Small Industries Council for Rural Areas of Scotland (in that Schedule respectively referred to as "the Corporation" and "the Council").

Transfer of
publicly
owned
property to
Agency.

16.—(1) Nothing in this Act or in any other enactment (including, subject to any express provision to the contrary, an enactment contained in an Act passed after this Act) shall prevent the transfer to the Agency or the Agency's nominees of any publicly owned securities or other publicly owned property.

(2) Publicly-owned securities and other publicly-owned property may only be transferred to the Agency or the Agency's nominees with the consent of the Secretary of State or in accordance with any general authority given by the Secretary of State.

(3) The Secretary of State shall as soon as practicable lay before each House of Parliament a copy of any general authority given by him under subsection (2) above.

(4) Subject to subsections (5) and (6) below, if—

(a) the Secretary of State has given a consent under subsection (2) above; and

(b) the consideration for the transfer has been determined; and

(c) its amount exceeds £1 million,

the Secretary of State shall as soon as practicable lay before each House of Parliament a statement specifying—

(i) the securities or other property to be transferred;

(ii) the transferor;

(iii) the consideration; and

(iv) the date of his consent.

(5) When the Secretary of State has given a consent under subsection (2) above before the amount of the consideration for the transfer has been determined, he shall as soon as practicable lay before each House of Parliament, unless it appears to him to be unlikely that the amount of the consideration will exceed £1 million, a statement specifying the matters, other than the consideration, that are required to be specified in a statement under subsection (4) above.

(6) When a statement has been laid under subsection (5) above, the Secretary of State shall lay before each House of Parliament a statement specifying the consideration for the transfer as soon as practicable after its amount has been determined.

17. Section 9 of the Industry Act 1975 (the Board and the media) shall apply to the Agency as it applies to the National Enterprise Board with the substitution of a reference to section 5 of this Act for the reference in the said section 9 to section 3 of that Act. The Agency and the media.

18. The Agency may with the consent of the Secretary of State enter into and carry out agreements with the Minister of Overseas Development under which the Agency act, at the expense of that Minister, as the instrument by means of which technical assistance is furnished by the Minister in exercise of the power conferred by section 1(1) of the Overseas Aid Act 1966 ; and the Agency may, with the consent of both the Secretary of State and the said Minister enter into and carry out agreements under which the Agency, for any purpose specified in the said section 1(1), furnish technical assistance in a country or territory outside the United Kingdom against reimbursement to them of the cost of furnishing that assistance. Technical assistance to overseas countries. 1966 c. 21.

19.—(1) Any local authority may, within their area, act as agent for the Agency, and any development corporation of a new town may so act whether within or, with the consent of the Secretary of State, outwith the designated area of the new town, to carry out any of the functions of the Agency mentioned in section 2(2)(c) to (i) of this Act. Assistance from local authorities and development corporations in carrying out certain functions.

(2) For the purpose of assisting the Agency to carry out any of the functions referred to in subsection (1) above, a local authority or development corporation, on being so requested by the Agency, may place at their disposal the services of officers or servants of the authority or corporation, on such terms as may be agreed with the Agency.

Powers of Secretary of State

20.—(1) The Secretary of State shall appoint a board, which shall be called the Scottish Industrial Development Advisory Board, to advise him with respect to the exercise of his functions under section 7 of the Industry Act 1972. Scottish Industrial Development Advisory Board.

(2) The Board shall consist of a chairman and not less than six nor more than twelve other members. 1972 c. 63.

(3) The members of the Board shall include persons who appear to the Secretary of State to have wide experience of, and to have shown capacity in, industry, banking, accounting, finance or the representation of workers.

(4) If the Board make a recommendation with respect to any matter at the request of the Secretary of State and the Secretary

1972 c. 63. of State exercises his functions under section 7 of the Industry Act 1972 contrary to their recommendation, he shall, if the Board so request, lay a statement as to the matter before Parliament.

1975 c. 68. (5) Any reference in this section to the Secretary of State's functions under section 7 of the Industry Act 1972 includes a reference to his functions under section 5 of this Act and section 3 of the Industry Act 1975.

Assistance to persons providing air services serving the Highlands and Islands.

21.—(1) For the purpose of maintaining and improving air services serving the Highlands and Islands, the Secretary of State may assist, in accordance with the provisions of this section, persons who provide or propose to provide such services.

(2) The Secretary of State may, with the consent of the Treasury, make advances, out of moneys provided by Parliament, either by way of grant or loan, or partly in one of those ways and partly in the other, on such terms and conditions as he considers expedient, to any such person as aforesaid.

(3) The Secretary of State may, with the consent of the Treasury, instead of or as well as giving assistance under this section by way of grant or loan, give assistance by subscribing for or otherwise acquiring shares or stock in a company, and he on giving such assistance may impose such conditions as he thinks fit; and he may dispose of such shares or stock.

(4) Any receipts of the Secretary of State by virtue of this section shall be paid into the Consolidated Fund.

(5) The powers conferred by this section shall be exercisable for a period of five years from the coming into operation of this section except that the Secretary of State may thereafter hold or dispose of shares or stock acquired under subsection (3) above.

(6) In this section—

1971 c. 75.

(a) "air services" means air transport services, other than international air services, operating in accordance with a licence granted under section 22 of the Civil Aviation Act 1971 or under the authority of an instrument made under section 21(2) of that Act; and

(b) "the Highlands and Islands" means the Western Isles, the Shetland Islands, the Orkney Islands, the Highland Region and, in the Strathclyde Region, the district of Argyll and Bute and the Island of Arran.

General

Service of documents.

22.—(1) Any notice or other document required or authorised by or by virtue of this Act to be served on any person may be served on him either by delivering it to him or by leaving it at his proper address or by sending it by post.

(2) Any notice or other document so required or authorised to be served on a body corporate or a firm shall be duly served if it is served on the secretary or clerk of that body or a partner of that firm.

(3) For the purposes of this section, and of section 26 of the Interpretation Act 1889 in its application to this section, the 1889 c. 63. proper address of a person, in the case of a secretary or clerk of a body corporate, shall be that of the registered or principal office of that body, in the case of a partner of a firm, shall be that of the principal office of the firm, and, in any other case, shall be the last known address of the person to be served.

23. Any expenses of the Secretary of State incurred in con- Expenses. sequence of the provisions of this Act shall be defrayed out of moneys provided by Parliament.

24.—(1) Notwithstanding any interest of the Crown in Crown Application of Act to Crown. land, the power to acquire land compulsorily under this Act may, with the consent of the appropriate authority, be exercised in relation to any interest therein which is for the time being held otherwise than by or on behalf of the Crown.

In this section, “Crown land” means land an interest in which belongs to Her Majesty in right of the Crown and land an interest in which belongs to a government department or is held in trust for Her Majesty for the purposes of a government department, and “the appropriate authority” has the meaning assigned to it by section 253(7) of the Town and Country Planning (Scotland) Act 1972; and the provisions of the said 1972 c. 52. section 253(7) as to the determination of questions shall apply for the purposes of this section.

(2) None of the provisions of this Act relating to Crown land shall be construed as prejudicing any Crown interest therein, and nothing in this Act shall affect the powers or duties of the Crown Estate Commissioners.

25.—(1) In this Act, unless the context otherwise requires— Interpretation.

“financial year” means the period beginning with the commencement of this Act and ending with 31st March 1976, and each subsequent period of twelve months ending with 31st March;

“industry” includes any description of commercial activity, and any section of an industry, and “industrial” shall be construed accordingly;

“land” includes the foreshore and other land covered with water and any estate or interest in or right over land and any other heritable estate;

“local authority” means a regional, islands or district council ;

“sea bed” includes its subsoil ;

1948 c. 38. “subsidiary” means a subsidiary as defined by section 154 of the Companies Act 1948 ;

“wholly owned subsidiary” has the meaning assigned to it by section 150(4) of the Companies Act 1948.

(2) Securities and other property are publicly owned for the purposes of this Act if they are held—

(a) by or on behalf of the Crown ;

(b) by a company all of whose shares are held by or on behalf of the Crown or by a wholly owned subsidiary of such a company ;

(c) by any corporation constituted by or under any enactment under which an industry or part of an industry is carried on by that corporation under national ownership or control ; or

(d) by a wholly owned subsidiary of any such corporation.

1947 c. 42. (3) Except where the context otherwise requires, this Act shall apply in relation to any estate or interest in or right over the sea bed as it applies in relation to land, and the Acquisition of Land (Authorisation Procedure) (Scotland) Act 1947 and the compulsory purchase enactments specified in subsection (4) below shall apply accordingly.

1845 c. 33.
1963 c. 51.
1972 c. 52.
1973 c. 56. (4) In subsection (3) above, “the compulsory purchase enactments” means the Lands Clauses Acts, and section 6 and sections 70 to 78 of the Railways Clauses Consolidation (Scotland) Act 1845, the Land Compensation (Scotland) Act 1963, section 278 of the Town and Country Planning (Scotland) Act 1972 and Schedule 24 to that Act, and the Land Compensation (Scotland) Act 1973.

(5) Except in so far as the context otherwise requires, any reference in this Act to an enactment shall be construed as a reference to that enactment as amended, applied or extended by or under any other enactment, including this Act.

Orders and regulations.

26.—(1) Unless otherwise provided, any power conferred by this Act to make an order or regulations shall be exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(2) Any power to make an order conferred by any provision of this Act shall include power to make an order varying or revoking any order previously made under that provision.

27.—(1) The enactments specified in Schedule 4 to this Act shall have effect subject to the amendments set out in that Schedule, being amendments consequential on the foregoing provisions of this Act and minor amendments. Consequential amendments and repeals.

(2) The enactments specified in Schedule 5 to this Act are hereby repealed to the extent specified in column 3 of that Schedule.

28.—(1) This Act may be cited as the Scottish Development Agency Act 1975. Short title, commencement and extent.

(2) This Act (except this section) shall come into operation on the appointed day, being such day as the Secretary of State may by order appoint, and different days may be appointed under this subsection for different purposes.

(3) Any reference in this Act to the commencement of any provision thereof shall be construed as a reference to the day when that provision comes into force.

(4) This Act, except in so far as it relates to the amendment of the House of Commons Disqualification Act 1975, extends to Scotland only. 1975 c. 24.

SCHEDULES

Section 1.

SCHEDULE 1

THE SCOTTISH DEVELOPMENT AGENCY

Incorporation

1. The Agency shall be a body corporate and shall have a common seal.

Appointment and tenure of members

2. It shall be the duty of the Secretary of State—

- (a) to satisfy himself, before he appoints a person to be a member of the Agency, that he will have no such financial or other interest as is likely to affect prejudicially the performance of his functions as a member ; and
- (b) to satisfy himself from time to time with respect to each member that he has no such interest ;

and a person who is a member or whom the Secretary of State proposes to appoint as a member shall, whenever requested by the Secretary of State to do so, furnish the Secretary of State with such information as he may specify with a view to carrying out his duty under this paragraph.

3. Subject to the following provisions of this Schedule, every member of the Agency shall hold and vacate office in accordance with the terms of the instrument under which he is appointed, but any member of the Agency may resign his office by giving to the Secretary of State a signed notice in writing stating that he resigns his office, and a member of the Agency who ceases to hold office shall be eligible for re-appointment to the Agency.

4. Where a member becomes or ceases to be the chairman or a deputy chairman, the Secretary of State may vary the terms of the instrument appointing him a member so as to alter the date on which he is to vacate office as a member.

5. If the chairman or a deputy chairman ceases to be a member, he shall cease to be the chairman or a deputy chairman, as the case may be.

6. If the Secretary of State is satisfied that a member of the Agency—

- (a) has had his estate sequestrated or has made a trust deed for behoof of his creditors or a composition contract,
- (b) is incapacitated by reason of physical or mental illness,
- (c) has been absent from meetings of the Agency for a period longer than three consecutive months without the permission of the Agency, or

(d) is otherwise unable or unfit to discharge the functions of a member of the Agency, or is unsuitable to continue as a member,

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the Secretary of State shall have power to remove him from office as a member of the Agency.

Remuneration etc.

7. The Agency shall pay to each member such remuneration as the Secretary of State may determine, with the approval of the Minister for the Civil Service.

8. The Agency shall make such provision as may be determined by the Secretary of State, with the approval of the said Minister, for the payment of pensions, allowances or gratuities (including refunds of contributions to any pension fund with or without interest or other additions) to or in respect of such members or past members of the Agency as may be so determined.

9. Where a person ceases to be a member otherwise than on the expiry of his term of office, and it appears to the Secretary of State that there are special circumstances which make it right for that person to receive compensation, the Secretary of State, with the approval of the said Minister, may direct the Agency to make to that person a payment of such amount as the Secretary of State may determine, with the approval of the said Minister.

10.—(1) Without prejudice to section 2(3) of this Act, the Agency may, subject to any limit of numbers which may be determined by the Secretary of State, with the approval of the said Minister, employ such officers and servants as appear to the Agency necessary for the exercise of their functions.

(2) The Agency may pay such remuneration, in the case of such of the persons employed by them as may be determined by the Agency, with the approval of the Secretary of State and of the said Minister, pay such pensions, allowances or gratuities to or in respect of them as may be so determined, with the like approval, make such payments towards the provision of such pensions, allowances or gratuities (including refunds of contributions to any pension fund with or without interest or other additions) as may be so determined, with the like approval, or provide or maintain such schemes (whether contributory or not) for the payment of such pensions, allowances or gratuities as may be so determined, with the like approval.

(3) Where a person employed by the Agency and participating in a scheme for the payment of pensions, allowances or gratuities which is applicable to such persons becomes a member of the Agency, his service as a member may be treated for the purposes of the scheme as service as a person employed by the Agency, whether or not provision for or in respect of him is made under paragraph 8 above.

(4) Except so far as the Agency are satisfied that adequate machinery exists for the purpose, it shall be the duty of the Agency to seek consultation with any organisation appearing to them to

SCH. 1 be appropriate with a view to the conclusion between the Agency and that organisation of such agreements as appear to the parties to be desirable with respect to the establishment and maintenance of machinery for the settlement by negotiation of terms and conditions of employment of persons employed by the Agency, with provision for reference to arbitration in default of such settlement in such cases as may be determined by or under the agreements.

*Disqualification of members of the Agency
for House of Commons*

1975 c. 24. 11. In Part II of Schedule 1 to the House of Commons Disqualification Act 1975 (bodies of which all members are disqualified), there shall be inserted at the appropriate place in alphabetical order:—

“ The Scottish Development Agency ”.

Proceedings

12. The quorum of the Agency and the arrangements relating to meetings of the Agency shall be such as the Agency may determine.

13.—(1) A member who is in any way directly or indirectly interested in a contract made or proposed to be made by the Agency, or in any other matter whatsoever which falls to be considered by the Agency, shall disclose the nature of his interest at a meeting of the Agency, and the disclosure shall be recorded in the minutes of the meeting.

(2) Such a member shall not—

- (a) in the case of any such contract, take part in any deliberation or decision of the Agency with respect to the contract ; and
- (b) in the case of any other matter, take part in any deliberation or decision of the Agency with respect to the matter if the Agency decide that the interest in question might prejudicially affect the member's consideration of the matter.

(3) For the purposes of this paragraph, a notice given by a member at a meeting of the Agency to the effect that he is a member of a specified body corporate or firm and is to be regarded as interested in any contract which is made with the company or firm after the date of the notice, and in any other matter whatsoever concerning the company or firm which falls to be considered by the Agency after that date, shall be a sufficient disclosure of his interest.

(4) A member need not attend in person at a meeting of the Agency in order to make a disclosure which he is required to make under this paragraph, if he takes reasonable steps to secure that the disclosure is made by a notice which is taken into consideration and read at such a meeting.

14. The validity of any proceedings of the Agency shall not be affected by any vacancy among the members or by any defect in the appointment of a member or by any failure to comply with the requirements of paragraph 13 above.

Committees

SCH. 1

15.—(1) In connection with the exercise of their functions, the Agency may establish such committees as appear to them to be appropriate, and the composition and remit of such a committee and the terms on which their members hold office shall be determined by the Agency.

(2) The Agency shall pay to members of any committee established under sub-paragraph (1) above, who are not members of the Agency, travelling and other allowances, including compensation for loss of remunerative time, in accordance with arrangements to be determined by the Secretary of State with the approval of the Minister for the Civil Service.

Instruments executed or issued by the Agency

16. The application of the seal of the Agency to any document shall be attested by at least one member of the Agency and by one officer of the Agency duly authorised in that behalf.

17. Every document purporting to be an instrument issued by the Agency and to be sealed and attested as aforesaid or to be duly signed on behalf of the Agency shall be received in evidence and shall be deemed to be such an instrument without further proof unless the contrary is shown.

Stamp Duty

18.—(1) Stamp duty shall not be chargeable on any instrument which is certified to the Commissioners of Inland Revenue by the Agency as having been made or executed for the purpose of the transfer to the Agency of securities or other property held—

(a) by or on behalf of the Crown ; or

(b) by a company all of whose shares are held by or on behalf of the Crown or by a wholly owned subsidiary of such a company.

(2) No such instrument as is mentioned in sub-paragraph (1) above shall be deemed to be duly stamped unless it is stamped with the duty for which it would, but for this paragraph, be liable, or it has, in accordance with the provisions of section 12 of the Stamp Act 1891 c. 39. 1891, been stamped with a particular stamp denoting that it is not chargeable with any duty or that it is duly stamped.

Acquisition of holdings of minority shareholders

19. Section 209 of the Companies Act 1948 (power to acquire 1948 c. 38. shares of shareholders dissenting from scheme or contract approved by majority) shall have effect in relation to the transfer of shares or any class of shares in a company to the Agency ; and references to a transferee company in that section shall be construed accordingly.

Circulars

20. Section 14(1) of the Prevention of Fraud (Investments) Act 1958 c. 45. 1958 (prohibition on distributing circulars relating to investments) shall not apply to documents which the Agency distribute in the discharge of their functions or cause to be so distributed or have in their possession for the purposes of such distribution.

Section 13.

SCHEDULE 2

FINANCIAL AND ADMINISTRATIVE PROVISIONS RELATING TO THE
AGENCY*Financing of the Agency by Government*

1.—(1) In respect of the exercise of the Agency's functions mentioned in section 2(2)(a) and (b) of this Act, the Secretary of State may pay to the Agency out of money provided by Parliament such sums (in this Schedule referred to as "public dividend capital") as the Secretary of State thinks fit.

(2) The Secretary of State may direct that so much of the debt assumed by the Agency under paragraph 7 below as he may, with the approval of the Treasury, determine shall be treated as an addition to that capital.

(3) In consideration of receiving public dividend capital, the Agency shall make to the Secretary of State, as respects each financial year (except such a year as respects which the Agency satisfy the Secretary of State that it is inappropriate to make a payment in pursuance of this sub-paragraph), payments of such amounts as may be proposed by the Agency and agreed by the Secretary of State, or such other amounts as the Secretary of State may determine, after consultation with the Agency; and any sums received by the Secretary of State in pursuance of this sub-paragraph shall be paid into the Consolidated Fund.

(4) The account prepared in respect of any financial year in pursuance of paragraph 4(3) below shall include particulars of the sums which in that year are paid to the Agency or are paid into the Consolidated Fund in pursuance of this paragraph.

(5) The Secretary of State shall not make a payment, signify agreement or make a determination in pursuance of this paragraph except with the approval of the Treasury.

2. The Secretary of State may, out of money provided by Parliament, pay such sums to the Agency

(a) in respect of the exercise of their functions, other than those to which the public dividend capital relates, and

(b) in respect of their administrative expenses,

as he may, with the consent of the Treasury, determine.

Borrowing Powers

3.—(1) For the purpose of the exercise of any of their functions, other than functions under section 5 of this Act, the Agency may borrow money from the Secretary of State and may, with the consent of the Secretary of State given with the approval of the Treasury, borrow money, whether in sterling or otherwise, from any other person or body, whether in the United Kingdom or elsewhere.

(2) The Agency may borrow money from any of their wholly-owned subsidiaries without obtaining the consent of the Secretary of State.

Government loans to the Agency

4.—(1) The Secretary of State may lend to the Agency any sums which the Agency have power to borrow from him under paragraph 3(1) above, for such purposes as the Secretary of State may specify and

the Treasury may issue to the Secretary of State out of the National Loans Fund any sums necessary to enable the Secretary of State to make loans in pursuance of this sub-paragraph.

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(2) Any loans made in pursuance of sub-paragraph (1) above shall be repaid to the Secretary of State at such times and by such methods, and interest on the loans shall be paid to him at such times and at such rates, as he may from time to time direct; and all sums received by the Secretary of State in pursuance of this sub-paragraph shall be paid into the National Loans Fund.

(3) The Secretary of State shall prepare in respect of each financial year an account of the sums issued to him in pursuance of sub-paragraph (1) above and the sums received by him in pursuance of sub-paragraph (2) above and of the disposal by him of those sums, and shall send the account to the Comptroller and Auditor General before the end of the month of November next following the end of that year; and the Comptroller and Auditor General shall examine, certify and report on the account and lay copies of it and of his report before each House of Parliament.

(4) The Secretary of State shall not make a loan or give a direction in pursuance of this paragraph except with the approval of the Treasury; and the form of the account prepared in pursuance of sub-paragraph (3) above and the manner of preparing it shall be such as the Treasury may direct.

Borrowing by wholly owned subsidiaries

5. It shall be the duty of the Agency to secure that no wholly owned subsidiary of theirs borrows money otherwise than from the Agency or from another wholly owned subsidiary of theirs, except with the consent of the Secretary of State and the approval of the Treasury.

Guarantees

6.—(1) The Treasury may guarantee, in such manner and on such conditions as they think fit, the repayment of the principal of and the payment of interest on any sums which the Agency borrow from a person other than the Secretary of State.

(2) Immediately after a guarantee is given under this paragraph, the Treasury shall lay a statement of the guarantee before each House of Parliament; and where any sum is issued for fulfilling a guarantee so given, the Treasury shall lay before each House of Parliament a statement relating to that sum, as soon as possible after the end of each financial year, beginning with that in which the sum is issued and ending with that in which all liability in respect of the principal of the sum and in respect of interest on it is finally discharged.

(3) Any sums required by the Treasury for fulfilling a guarantee under this paragraph shall be charged on and issued out of the Consolidated Fund.

(4) If any sums are issued in fulfilment of a guarantee given under this paragraph, the Agency shall make to the Treasury, at

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such time and in such manner as the Treasury from time to time direct, payments of such amounts as the Treasury so direct in or towards repayment of the sums so issued and payments of interest, at such rate as the Treasury so direct, on what is outstanding for the time being in respect of sums so issued.

(5) Any sums received by the Treasury in pursuance of sub-paragraph (4) above shall be paid into the Consolidated Fund.

The Agency's Capital Debt

7.—(1) Upon any acquisition to which this paragraph applies, the Agency shall assume a debt to the Secretary of State of such amount as may be notified to the Agency in writing by him, with the approval of the Treasury.

(2) This paragraph applies to any acquisition by the Agency—

(a) of property held—

(i) by or on behalf of the Crown ; or

(ii) by a company all of whose shares are held by or on behalf of the Crown or by a wholly owned subsidiary of such a company ; or

(b) under section 5 of this Act ;

but does not apply to property transferred to the Agency under section 15 of this Act.

(3) Subject to sub-paragraph (4) below, in a case to which sub-paragraph (2)(a) above applies, the amount to be notified is the aggregate of the following, namely—

(a) the consideration given when the property was first brought into public ownership, and

(b) the costs and expenses of and incidental to its being brought into public ownership.

(4) If it appears to the Secretary of State in any such case that there has been such a change in circumstances since the property was first brought into public ownership that its true value would not be reflected by reference to the consideration mentioned in sub-paragraph (3) above, the Secretary of State, with the approval of the Treasury, shall determine the amount to be notified.

(5) In a case to which sub-paragraph (2)(b) above applies, the amount to be notified is the aggregate of the consideration for the acquisition and the costs and expenses of and incidental to it.

(6) The rate of interest payable on so much of the Agency's capital debt as the Secretary of State does not direct to be treated as an addition to the Agency's public dividend capital, and the date from which interest is to begin to accrue, the arrangements for paying off the principal, and the other terms of the debt shall be such as the Secretary of State, with the approval of the Treasury, may from time to time determine ; and different rates and dates may be determined under this sub-paragraph with respect to different portions of the debt.

(7) Any sums received by the Secretary of State under subparagraph (6) above shall be paid into the National Loans Fund.

SCH. 2

Accounts of the Agency, etc.

8.—(1) The Agency shall keep proper accounts and other records in relation to the accounts and shall prepare in respect of each of their financial years a statement of account in such form as the Secretary of State may, with the approval of the Treasury, determine, being a form which shall conform to the best commercial standards.

(2) The statement of account prepared by the Agency for each financial year shall be submitted to the Secretary of State at such time as he may direct.

(3) The Secretary of State shall, on or before 30th November in any year, transmit to the Comptroller and Auditor General the statement of account prepared by the Agency under this paragraph for the financial year last ended.

(4) The Comptroller and Auditor General shall examine and certify the statement of account transmitted to him under this paragraph and lay before Parliament copies of the statement of account together with his report thereon.

(5) The Agency shall provide the Secretary of State with such information relating to their activities or proposed activities as he may from time to time require, and for that purpose shall permit any person authorised in that behalf by the Secretary of State or the Comptroller and Auditor General to inspect and make copies of their accounts, books, documents or papers, and shall afford to that person such explanation thereof as he may reasonably require.

Annual report

9.—(1) It shall be the duty of the Agency to make to the Secretary of State, as soon as possible after the end of each financial year, a report dealing with the operations of the Agency during that year.

(2) It shall be the duty of the Secretary of State to lay before each House of Parliament a copy of each report received by him under this paragraph.

(3) If a report so laid sets out a direction under section 4 above a copy of which has not been laid in accordance with subsection (2) of that section, a statement of the reason why the copy was not so laid shall be annexed to the Agency's report by the Secretary of State, and the said subsection (2) shall not apply to the direction.

SCHEDULE 3

Section 15.

MEMBERS AND STAFF OF THE CORPORATION AND THE COUNCIL

Transfer of Staff

1. In the case of persons to be employed by them on and after the date of the commencement of this Act, who immediately before

SCH. 3 that date are employed either by the Corporation or the Council, the Agency shall ensure that—

- (a) so long as he continues in the employment of the Agency and until he is served with a statement in writing specifying new terms and conditions of employment, each such person enjoys terms and conditions of employment not less favourable, taken as a whole, than those which he enjoyed as a member of the Corporation's or Council's staff immediately before joining the Agency's staff ; and
- (b) the said new terms and conditions are such that, so long as he is engaged in duties reasonably comparable to those in which he was engaged immediately before he joined the Agency's staff, the terms and conditions of his employment, taken as a whole, are not less favourable than those which he then enjoyed.

Compensation for members or staff of the Corporation or the Council

2. The Secretary of State may, out of moneys provided by Parliament, pay to any person who was a member of the Corporation or Council immediately before the commencement of this Act and who is not appointed a member of the Agency such sums by way of compensation for loss of office as he may, with the consent of the Minister for the Civil Service, determine.

3. The Secretary of State shall by regulations require the Agency to pay, in such cases and to such extent as may be determined by or under the regulations, compensation to or in respect of persons hitherto employed by the Corporation or Council who suffer loss of employment or loss or diminution of emoluments or pension rights in consequence of the provisions of this Act.

4. Different regulations may be made under paragraph 3 above in relation to different classes of persons, and any such regulations may be so framed as to have effect as from a date prior to the making thereof, so, however, that so much of any regulations as provides that any provision thereof is to have effect as from a date earlier than the making thereof shall not place any person other than the Agency in a worse position than he would have been in if the regulations had been made to have effect only as from the date of the making thereof.

5. Regulations under paragraph 3 above—

- (a) may prescribe the procedure to be followed in making claims for compensation, and the manner in which and the person by whom the question whether any or what compensation is payable is to be determined, and
- (b) may apply, with or without modifications, the provisions of any other rules or regulations relating to similar matters.

Continuity of employment

6. For the purposes of—

- (a) the Redundancy Payments Act 1965

- (b) the Contracts of Employment Act 1972, and
- (c) the Trade Union and Labour Relations Act 1974

SCH. 3
1972 c. 53.
1974 c. 52.

there shall be deemed to have been no break in the employment of any person who is transferred by virtue of section 15 of this Act from the employment of one body to that of another body.

SCHEDULE 4

Section 27(1)

MINOR AND CONSEQUENTIAL AMENDMENT OF ENACTMENTS

The Countryside (Scotland) Act 1967

1967 c. 86

1. In section 67(1)(c) (grants to local authorities), after the words "section 2" there shall be inserted the words "(except subsection (1)(b))".

The Pensions Increase Act 1971

1971 c. 56.

2. In Part I of Schedule 2, after paragraph 38 there shall be inserted the following paragraph—

"38A. A pension payable by virtue of paragraph 10 of Schedule 1 or of regulations made under paragraph 3 of Schedule 3 to the Scottish Development Agency Act 1975."

The Industry Act 1972

1972 c. 63.

3. The following subsection shall be added at the end of section 9 (Industrial Development Advisory Board)—

"(5) Any reference in this section to the Secretary of State's functions under sections 7 and 8 of this Act includes a reference to his functions under section 5 of the Scottish Development Agency Act 1975."

4. At the end of section 16(1)(a) (Annual Reports of Secretary of State) there shall be added the words "and section 5 of the Scottish Development Agency Act 1975".

The Offshore Petroleum Development (Scotland) Act 1975

1975 c. 8.

5. In section 10 (execution of works), in subsections (3) and (4), for the words "Industrial Estates Corporation" there shall be substituted the words "Development Agency".

The Farriers (Registration) Act 1975

1975 c. 35.

6. In paragraph 1(f) of Schedule 1 (Farriers Registration Council), for the words "Small Industries Council for Rural Areas of Scotland", there shall be substituted the words "Scottish Development Agency".

Section 27(2).

SCHEDULE 5**REPEALS**

Chapter	Short Title	Extent of Repeal
1965 c. 46.	The Highlands and Islands Development (Scotland) Act 1965.	Section 5(5). Section 13(6) to (8).
1966 c. 51.	The Local Government (Scotland) Act 1966.	Section 10.
1972 c. 5.	The Local Employment Act 1972.	Section 5. Section 8. Sections 10 to 12. Section 13(2).
1972 c. 63. 1975 c. 8.	The Industry Act 1972. The Offshore Petroleum Development (Scotland) Act 1975.	Section 13(5) to (7). In section 20(2), the definition of "Scottish Industrial Estates Corporation".

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