



# Industry Act 1980

## 1980 CHAPTER 33

An Act to make further provision in relation to the National Enterprise Board, the Scottish Development Agency, the Welsh Development Agency and the English Industrial Estates Corporation; to authorise the Secretary of State to acquire securities of, make loans to and provide guarantees for companies in which he acquires shares from the National Enterprise Board; to amend the Industry Act 1972 and the Industry Act 1975; to authorise the provision by the Secretary of State of an advisory service; to remove the requirement for a register of the financial interests of members of British Shipbuilders; and for connected purposes. [30th June 1980]

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:—

### *The National Enterprise Board and the Scottish and Welsh Development Agencies*

#### **1 Functions of the Board and Agencies**

- (1) In section 2(2) of the Industry Act 1975—
- (a) in paragraph (b) the words " reorganisation or" and paragraphs (c) and (d) shall cease to have effect; and
  - (b) after paragraph (e) there shall be added—
    - “(f) promoting the private ownership of interests in industrial undertakings by the disposal of securities and other property held by the Board or any of their subsidiaries.”
- (2) In section 2 of the Scottish Development Agency Act 1975—
- (a) in subsection (1), in paragraph (a), at the end there shall be added the words " , including in that connection the provision, maintenance or safeguarding of employment ";
  - (b) in subsection (2), after paragraph (i) there shall be added—

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- “(j) promoting the private ownership of interests in industrial undertakings by the disposal of securities and other property held by the Agency or any of their subsidiaries.”; and
  - (c) subsection (1)(b), in subsection (2)(c) the word " re organisation ", and subsection (2)(f) shall cease to have effect.
- (3) In section 1 of the Welsh Development Agency Act 1975—
  - (a) in subsection (2), in paragraph (a), at the end there shall be added the words " , and in that connection to provide, maintain or safeguard employment ";
  - (b) in subsection (3), after paragraph (i) there shall be added—
    - “(j) to promote the private ownership of interests in industrial undertakings by the disposal of securities and other property held by the Agency or any of their subsidiaries.”;
  - (c) subsection (2)(c), in subsection (3)(d) the word " reorganisation ", and subsection (3)(e) shall cease to have effect; and
  - (d) in subsection (11) the words from "in connection" to " above " shall cease to have effect.

## **2 Transfer of property to Secretary of State**

- (1) Without prejudice to any power otherwise conferred on them and notwithstanding anything in any other enactment, the National Enterprise Board, the Scottish Development Agency and the Welsh Development Agency may transfer securities or other property held by them, and may procure the transfer of securities or other property held by any of their subsidiaries, to the Secretary of State or to a nominee of his; and the power of the Secretary of State to give directions—
  - (a) to the National Enterprise Board under section 7 of the Industry Act 1975,
  - (b) to the Scottish Development Agency under section 4 of the Scottish Development Agency Act 1975, and
  - (c) to the Welsh Development Agency under section 1(9) of the Welsh Development Agency Act 1975,
 shall extend to the giving of directions as to the making and terms of a transfer.
- (2) Stamp duty shall not be chargeable on any instrument which is certified to the Commissioners of Inland Revenue by the Secretary of State as having been made or executed for the purpose of the transfer of property to him or a nominee of his from, or from any subsidiary of, the National Enterprise Board, the Scottish Development Agency or the Welsh Development Agency.
- (3) There may be defrayed out of money provided by Parliament any expenditure incurred by the Secretary of State in respect of the acquisition of property by him or a nominee of his from, or from a subsidiary of, the National Enterprise Board, the Scottish Development Agency or the Welsh Development Agency; and any sums received by him on the disposal of property so acquired shall be paid into the Consolidated Fund.
- (4) In this section " subsidiary " means a subsidiary as defined by section 154 of the Companies Act 1948 or section 148 of the Companies Act (Northern Ireland) 1960.

### **3 Finance for companies transferred to Secretary of State**

- (1) This section applies to a company if the National Enterprise Board has at any time transferred to the Secretary of State a controlling interest in the company and the Secretary of State has not since that time ceased to hold such an interest in it.
- (2) Subject to subsection (3) below and section 5 of this Act, the Secretary of State may with the approval of the Treasury—
  - (a) acquire securities of a company to which this section applies,
  - (b) make loans to such a company on such conditions and at such rates of interest as he may with that approval determine, and
  - (c) guarantee obligations (arising out of loans or otherwise) incurred by such a company.
- (3) The Secretary of State shall not determine a rate of interest in respect of a loan under subsection (2) (b) above which is lower than the lowest rate for the time being determined by the Treasury under section 5 of the National Loans Act 1968 in respect of comparable loans out of the National Loans Fund.
- (4) Not later than six months after the end of any financial year in which this section has applied to one or more companies the Secretary of State shall prepare and lay before each House of Parliament a report on the exercise during that year of his powers under subsection (2) above; and the report shall specify in relation to each company which at the end of that year is a company to which this section applies—
  - (a) particulars of the securities of the company held by the Secretary of State at the end of that year,
  - (b) the amount then outstanding, otherwise than by way of interest, in respect of any loans to the company made under paragraph (b) of subsection (2) above,
  - (c) particulars of guarantees then subsisting which were given under paragraph (c) of that subsection in respect of obligations incurred by the company, and
  - (d) any sums paid to meet guarantees so given, to the extent that they have not by then been repaid.
- (5) As soon as practicable after the holding of any general meeting of a company to which this section applies, the Secretary of State shall lay before each House of Parliament a copy of any accounts which, in accordance with any requirement of the Companies Acts 1948 to 1980, are laid before the company at that meeting, and of any documents which are annexed or attached to any such accounts.
- (6) Any expenditure incurred by the Secretary of State under subsection (2) above may be defrayed out of money provided by Parliament; and any sums received by him by virtue of this section (including sums received on the disposal of securities acquired by virtue of this section) shall be paid into the Consolidated Fund.
- (7) In this section and in section 5 of this Act—
  - " company " means a company within the meaning of the Companies Act 1948 or the Companies Act (Northern Ireland) 1960,
  - " controlling interest" means, in relation to a company, shares carrying in the aggregate more than half the voting rights exercisable at general meetings of the company,
  - " shares " includes stock,

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" subsidiary " means a subsidiary as defined by section 154 of the said Act of 1948 or section 148 of the said Act of 1960, and references to the transfer of securities to or the holding or acquisition of securities by the Secretary of State include references to the transfer of securities to or the holding or acquisition of securities by any nominee of his.

#### **4 Public dividend capital**

- (1) In paragraph 5 of Schedule 2 to the Industry Act 1975, after sub-paragraph (3) there shall be inserted—

“(3A) The Board may with the agreement of the Secretary of State, and shall if the Secretary of State with the approval of the Treasury requires them to do so, make payments to the Secretary of State in reduction of the public dividend capital of the Board; and any sums received by the Secretary of State in pursuance of this sub-paragraph shall be paid into the Consolidated Fund.”

- (2) In paragraph 1 of Schedule 2 to the Scottish Development Agency Act 1975, after sub-paragraph (3) there shall be inserted—

“(3A) The Agency may with the agreement of the Secretary of State, and shall if the Secretary of State with the approval of the Treasury requires them to do so, make payments to the Secretary of State in reduction of the public dividend capital of the Agency; and any sums received by the Secretary of State in pursuance of this sub-paragraph shall be paid into the Consolidated Fund.”

- (3) In paragraph 1 of Schedule 3 to the Welsh Development Agency Act 1975, after sub-paragraph (3) there shall be inserted—

“(3A) The Agency may with the agreement of the Secretary of State, and shall if the Secretary of State with the approval of the Treasury requires them to do so, make payments to the Secretary of State in reduction of the public dividend capital of the Agency ; and any sums received by the Secretary of State in pursuance of this sub-paragraph shall be paid into the Consolidated Fund.”

#### **5 Financial limits**

- (1) In section 8(2) of the Industry Act 1975, section 13(3) of the Scottish Development Agency Act 1975 and section 18(3) of the Welsh Development Agency Act 1975 (which set limits on the amounts outstanding in respect of certain borrowings and other liabilities of the National Enterprise Board and the Scottish and Welsh Development Agencies and their subsidiaries, but enable the Secretary of State to raise the limits) the words from " but" to the end shall cease to have effect.

- (2) After section 8(2) of the Industry Act 1975, there shall be inserted—

“(2A) The Secretary of State may by order provide for the limit specified in subsection (2) above to be reduced or further reduced to such amount not less than £750 million as may be specified in the order.

(2B) Not with standing section 38(2) below, an order under subsection (2A) above may not be revoked or varied by a later order except in connection with the making of a further reduction in the limit specified in subsection (2) above.

- (2C) No order shall be made under subsection (2A) above unless a draft of it has been approved by resolution of the House of Commons.”
- (3) Subject to subsection (4) below, the Secretary of State shall by order specify an amount as the financial limit for the purposes of section 3 of this Act, and may by order increase or further increase the amount so specified.
- (4) The aggregate of the amounts for the time being specified under subsection (3) above and in section 8(2) of the Industry Act 1975 shall not exceed £3,000 million.
- (5) The power to make orders under subsection (3) above shall be exercisable by statutory instrument, and no such order shall be made unless a draft of it has been laid before and approved by resolution of the House of Commons.
- (6) Subject to subsection (7) below, the aggregate of—
- (a) any sums paid by the Secretary of State under this Act in respect of the acquisition of shares in any company which before or immediately after the acquisition was a company to which section 3 of this Act applied,
  - (b) the amounts outstanding, otherwise than by way of interest, in respect of the general external borrowing of companies to which that section applies, and
  - (c) any sums paid by the Secretary of State to meet guarantees given under subsection (2)(c) of that section, to the extent that they have not been repaid,
- shall not exceed the amount which is for the time being the financial limit for the purposes of that section.
- (7) The sums paid by the Secretary of State under this Act in respect of the acquisition from the National Enterprise Board of shares in any company shall be treated for the purposes of subsection (6) above as reduced by an amount equal to so much of the debt of the Board assumed under paragraph 6(1) of Schedule 2 to the Industry Act 1975 on their acquisition of securities of the company as was, immediately before section 3 of this Act applied to the company, treated by virtue of paragraph 5(2) of that Schedule as part of the Board's public dividend capital.
- (8) For the purposes of subsection (6)(b) above, the general external borrowing of a company is the aggregate of—
- (a) sums borrowed by the company otherwise than from any subsidiary of the company, and
  - (b) sums borrowed by such a subsidiary otherwise than from the company or another such subsidiary.

## **6 Restrictions on powers to acquire shares**

- (1) In section 10(1)(b) of the Industry Act 1975 (which restricts the acquisition of share capital by the Board and their subsidiaries where the value of the consideration, together with that for share capital previously acquired, would exceed £10,000,000) for the words " previously acquired, would exceed £10,000,000 " there shall be substituted the words " already held by the Board or any of their subsidiaries, would exceed £5,000,000 ".
- (2) In section 14(1)(b) of the Scottish Development Agency Act 1975 (which makes similar provision in relation to the Scottish Development Agency, but with a limit of £2,000,000) for the words "previously acquired, would exceed £2,000,000" there shall

be substituted the words " already held by the Agency or any of their subsidiaries, would exceed £1,000,000 ".

- (3) In section 20(1)(6) of the Welsh Development Agency Act 1975 (which makes similar provision in relation to the Welsh Development Agency, with a limit of £2,000,000) for the words " previously acquired, would exceed £2 million " there shall be substituted the words " already held by the Agency or any of their subsidiaries, would exceed £1,000,000 ".
- (4) Section 10(3) of the Industry Act 1975, section 14(3) of the Scottish Development Agency Act 1975 and section 20(3) of the Welsh Development Agency Act 1975 (savings for powers to form bodies corporate) shall cease to have effect.

## **7 Members and chief executive of the Board**

- (1) In section 1 of the Industry Act 1975—
- (a) in subsection (2) (membership of the National Enterprise Board) for the word " sixteen " there shall be substituted the word " twelve "; and
  - (b) subsection (8) (register of members' financial interests) shall cease to have effect.
- (2) In Part III of Schedule 1 to the House of Commons Disqualification Act 1975 and in Part III of Schedule 1 to the Northern Ireland Assembly Disqualification Act 1975 there shall be inserted, at the appropriate place in alphabetical order—
- “Chief executive of the National Enterprise Board.”.

## **8 Selective financial assistance under the Industry Act 1972**

- (1) The Secretary of State shall not after the commencement of this Act give any direction under section 3 of the Industry Act 1975 (exercise by the National Enterprise Board of powers to give selective financial assistance under the Industry Act 1972) other than a direction varying or revoking an earlier direction.
- (2) Section 5 of the Scottish Development Agency Act 1975 and section 12 of the Welsh Development Agency Act 1975 (which make corresponding provision in relation to the Scottish and Welsh Development Agencies) shall cease to have effect.

## **9 Overseas aid**

Section 4 of the Industry Act 1975, section 18 of the Scottish Development Agency Act 1975 and section 3 of the Welsh Development Agency Act 1975 shall cease to have effect.

### *The English Industrial Estates Corporation*

## **10 Functions and status of the Corporation**

- (1) The English Industrial Estates Corporation may, in accordance with directions given under subsection (3) below,—
- (a) provide, facilitate the provision of, and manage sites and premises in England for occupation by industrial or commercial undertakings,

- (b) provide, and facilitate the provision of, means of access, services and other facilities required in connection with sites and premises in England occupied or to be occupied by such undertakings, and
  - (c) dispose for any purpose of land and other property held by the Corporation.
- (2) Subject to directions given under subsection (3) below, the Corporation may do anything, whether in England or elsewhere, which is calculated to facilitate or is conducive or incidental to the discharge of their functions, and in particular, without prejudice to the generality of the preceding provisions of this subsection, may—
  - (a) act alone or with other persons, either in partnership or otherwise,
  - (b) acquire land, plant, machinery and equipment and other property,
  - (c) form, or acquire interests in, bodies corporate, and
  - (d) make loans and guarantee obligations (arising out of loans or otherwise) incurred by other persons.
- (3) The Secretary of State may give the Corporation general or specific directions and the Corporation shall comply with any such directions.
- (4) After the commencement of this Act—
  - (a) the Corporation shall not be regarded as the servant or agent of the Crown or as enjoying any status, immunity or privilege of the Crown, or as exempt from any tax, duty, rate, levy or other charge whatsoever, whether general or local, and
  - (b) the property of the Corporation shall not be regarded as the property of, or property held on behalf of, the Crown.
- (5) Planning permission shall be deemed to have been granted under section 29 of the Town and Country Planning Act 1971 in respect of any development initiated by the Corporation before the end of March 1981.
- (6) In this section references to the provision of premises include references to the carrying out of any works, and the provision of any plant, machinery or equipment, on or for the purposes of any premises; and references to an industrial or commercial undertaking include references to any activity providing employment.
- (7) Subsections (1) to (3) of section 11 of the Local Employment Act 1972 (which are superseded by this section) shall cease to have effect.

## **11 Transfer of land to the Corporation**

- (1) Any land which, immediately before the commencement of this Act, is vested in a Minister of the Crown subject to a lease to the English Industrial Estates Corporation shall by virtue of this Act vest in the Corporation, subject to all rights, liabilities and obligations relating to it (except those arising out of the lease).
- (2) The power to acquire land conferred on the Secretary of State by section 5 of the Local Employment Act 1972 (provision of sites and premises) shall include power to acquire land with a view to transferring it to the English Industrial Estates Corporation.

## **12 Members of the Corporation**

In section 10(2) of the Local Employment Act 1972 (which provides that the English Industrial Estates Corporation shall consist of a chairman and four other members

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appointed by the Secretary of State) for the words from "four" to "and the members " there shall be substituted the words " such number of other members as the Secretary of State thinks fit; and the members shall be appointed by the Secretary of State and ".

### **13 Power for the Corporation to borrow**

- (1) The English Industrial Estates Corporation may, in accordance with directions under section 10(3) of this Act given with the approval of the Treasury, borrow in any currency from the Commission of the European Communities or from the European Investment Bank, but subject to subsection (2) below.
- (2) The aggregate amount outstanding in respect of the principal of sums borrowed under this section shall not exceed £30 million or such greater sum not exceeding £50 million as the Secretary of State may with the approval of the Treasury by order specify.
- (3) The power to make orders under this section shall be exercisable by statutory instrument, and no such order shall be made unless a draft of it has been laid before and approved by resolution of the House of Commons.
- (4) In section 11(8) of the Local Employment Act 1972 (receipts of Corporation, with certain exceptions, to be paid over to Secretary of State) after paragraph (a) there shall be inserted—
  - “(aa) receipts consisting of sums borrowed under section 13 of the Industry Act 1980 ; and”.

### **14 Treasury guarantees**

- (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 borrowed under section 13 of this Act.
- (2) Immediately after a guarantee is given under this section, 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, 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 thereon is finally discharged) lay before each House of Parliament a statement relating to that sum.
- (3) Any sums required by the Treasury for fulfilling a guarantee under this section 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 section, the Corporation shall make to the Treasury, at such times and in such manner as the Treasury may from time to time direct, payments of such amounts as the Treasury may so direct in or towards repayment of the sums so issued and payments of interest at such rate as the Treasury may so direct on what is outstanding for the time being in respect of sums so issued.
- (5) Any sums received under subsection (4) above by the Treasury shall be paid into the Consolidated Fund.



## 15 Expenses of the Corporation

In subsection (9) of section 11 of the Local Employment Act 1972 (certain expenses of the English Industrial Estates Corporation incurred under that section to be defrayed by the Secretary of State) after the word " section" there shall be inserted the words " or under the Industry Act 1980 ".

### *Grants and other financial assistance for industry*

## 16 Regional development grants

- (1) For the Table in section 1 of the Industry Act 1972 (which sets out the expenditure towards which, and the rates at which, grants may be made under that section) there shall be substituted—

TABLE

Expenditure incurred in	Prescribed percentage
1. Providing a building as part of, or providing works on, qualifying premises in a development area .....	If the qualifying premises are in a special development area: 22 per cent. If not: 15 per cent.
2. Providing new machinery or plant for use in qualifying premises in a development area	If the qualifying premises are in a special development area: 22 per cent. If not: 15 per cent.

- (2) The Regional Development Grants (Variation of Prescribed Percentages) Order 1979 (which is superseded by subsection (1) above) is hereby revoked.
- (3) Subsections (1) and (2) above shall not have effect in relation to—
- expenditure incurred in providing an asset, other than mining works, as part of, or on or for use in, qualifying premises if—
    - the asset is provided before 1st August 1980, or
    - the expenditure was defrayed before 18th July 1979;
  - expenditure incurred in providing a building as part of, or providing works on, qualifying premises in a derelict land clearance area, if the construction of the building or the carrying out of the works was begun before 22nd March 1974 ;
  - expenditure incurred in providing mining works if—
    - the works were provided before 1st April 1977, or
    - the expenditure was defrayed before 6th August 1976;
  - expenditure incurred in providing new machinery or plant for use in activities which are within Order XX of the Standard Industrial Classification (construction industry) if the machinery or plant was provided before 1st April 1977.
- (4) Where, apart from this subsection, the amount of a grant under Part I of the Industry Act 1972 towards expenditure falling within subsection (5) below would be less than 20 per cent, of the expenditure, the amount shall instead be 20 per cent, of the expenditure.
- (5) The expenditure falling within this subsection is expenditure incurred—

- (a) in providing an asset as part of, or on or for use in, qualifying premises in a relevant special development area in such circumstances that, by reason of Article 5(1) and (4)(d) or Article 5A(2) and (5)(b) of the Assisted Areas Order 1979, any grant under Part I of the Industry Act 1972 towards the expenditure is to be made at the rate appropriate to a development area which is not a special development area, or
  - (b) in providing a building or works at any time as part of or on qualifying premises in a relevant development area in such circumstances that, by reason of Article 5(2) and (4)(d) of that order, no grant may be made under Part I of that Act towards any expenditure incurred in providing machinery or plant at that time for use in those premises.
- (6) In subsection (5) above—
- (a) "relevant special development area" means an area which became a special development area on the coming into operation of the Assisted Areas Order 1977, the Assisted Areas Order 1979 or the Assisted Areas (Amendment) Order 1979, and
  - (b) "relevant development area" means an area which became a development area on the coming into operation of the Assisted Areas Order 1977, the Assisted Areas (No. 2) Order 1977 or the Assisted Areas Order 1979.
- (7) Expressions used in this section and in Part I of the Industry Act 1972 have the same meanings in this section as in that Act.

## **17 Assistance under Part II of the Industry Act 1972**

- (1) For subsection (4) of section 7 of the Industry Act 1972 there shall be substituted—
- “(4) Financial assistance shall not be given under this section in the way described in subsection (3)(a) above unless the Secretary of State is satisfied that it cannot, or cannot appropriately, be so given in any other way, and the Secretary of State, in giving financial assistance in the way so described, shall not acquire any shares or stock in a company without the consent of that company.”
- (2) In section 8(1) of that Act, after paragraph (b) there shall be added—
- “and
- (c) the financial assistance cannot, or cannot appropriately, be so provided otherwise than by the Secretary of State.”
- (3) For subsection (3) of section 8 of that Act there shall be substituted—
- “(3) Financial assistance shall not be given under this section in the way described in subsection (3)(a) of the last preceding section unless the Secretary of State is satisfied that it cannot, or cannot appropriately, be so given in any other way, and the Secretary of State, in giving financial assistance in the way so described, shall not acquire any shares or stock in a company without the consent of that company”.
- (4) The provisions of Schedule 1 to this Act (which relate to the limits on the financial assistance that may be given by the Secretary of State under section 8 of that Act) shall have effect.

*Miscellaneous and general*

**18 Advice for businesses**

- (1) The Secretary of State may make provision for the giving of advice (whether free of charge or otherwise) to persons carrying on or proposing to carry on a business.
- (2) Any expenditure incurred by the Secretary of State by virtue of this section may be defrayed out of money provided by Parliament
- (3) Not later than six months after the end of any financial year in which this power is used the Secretary of State shall prepare and lay before Parliament a report on the exercise during the year of his powers under this section.

**19 Planning agreements and disclosure of information**

Sections 21 (planning agreements) and 28 to 34 (disclosure of information by companies) of the Industry Act 1975 shall cease to have effect.

**20 British Shipbuilders: members' interests**

Sections 1(9) and 18(5) of the Aircraft and Shipbuilding Industries Act 1977 (register of members' financial interests to be kept by Secretary of State) shall cease to have effect in respect of British Shipbuilders.

**21 Repeals and transitional provisions**

- (1) The enactments mentioned in Schedule 2 to this Act are hereby repealed to the extent specified in column 3 of that Schedule.
- (2) Notwithstanding the repeal by this Act of any provision of section 2(2) of the Industry Act 1975, section 2(2) of the Scottish Development Agency Act 1975 or section 1(3) of the Welsh Development Agency Act 1975, the National Enterprise Board, the Scottish Development Agency and the Welsh Development Agency may continue to hold property held by them, and to carry on activities in which they are engaged, at the commencement of this Act.

**22 Short title and extent**

- (1) This Act may be cited as the Industry Act 1980.
- (2) The provisions of this Act so far as they relate to the Scottish Development Agency extend to Scotland only.
- (3) Subject to subsection (2) above, the provisions of this Act except—
  - (a) sections 10 to 16, and
  - (b) any other provision so far as it relates to the Welsh Development Agency, extend to Northern Ireland.

## SCHEDULES

### SCHEDULE 1

Section 17.

#### LIMITS ON FINANCIAL ASSISTANCE UNDER INDUSTRY ACT 1972 SECTION 8

- 1 Part II of the Industry Act 1972 shall be amended as follows.
- 2 In subsection (6) of section 8—
- (a) after the word " section" in paragraph (a) there shall be inserted the words " , other than sums paid in respect of foreign currency guarantees, ";
  - (b) after the word " guaranteed " in paragraph (b) there shall be inserted the words " and of any liability under a foreign currency guarantee ";
  - (c) after the words " guarantee under this section " there shall be inserted the words " (other than a foreign currency guarantee) ".
- 3 After subsection (7) of that section there shall be inserted—
- “(7A) Subject to section 8A of this Act, the aggregate of—
- (a) the liabilities of the Secretary of State under foreign currency guarantees (exclusive of any liability in respect of interest on a principal sum guaranteed by him under this section) and
  - (b) any sums paid by the Secretary of State in respect of foreign currency guarantees,
- less any sums received by the Secretary of State by way of repayment of principal sums paid to meet foreign currency guarantees, shall not at any time exceed the limit specified in subsection (7B) below.
- (7B) The said limit shall be 1,000 million special drawing rights, but the Secretary of State may, on not more than four occasions, by order made with the consent of the Treasury increase or further increase that limit by an amount specified in the order, being an amount not exceeding 500 million special drawing rights.
- An order under this subsection 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.”
- 4 In subsection (8) of that section after the word " project" there shall be inserted the words " , excluding sums paid or to be paid in respect of foreign currency guarantees, ".
- 5 After subsection (8) of that section there shall be inserted—
- “(9) In this section—
- ' foreign currency' means any currency other than sterling, including special drawing rights;
  - ' foreign currency guarantee' means a guarantee given under this section by the Secretary of State under which his liability is

measured in a foreign currency, whether or not it is to be discharged in a foreign currency, and for this purpose—

- (a) a liability measured in sterling but expressed to be subject to a limit in a foreign currency shall be taken to be measured in foreign currency, and
- (b) a liability measured in foreign currency but expressed to be subject to a limit in sterling shall be taken to be measured in sterling;

' guarantee ' includes any form of insurance.”

6 After section 8 there shall be inserted—

**“8A Limit on foreign currency liabilities: supplementary provisions.**

- (1) The amount to be taken into account under section 8(7A) of this Act at any time in respect of a liability of the Secretary of State shall, if the amount of the liability is not expressed in special drawing rights, be the equivalent at that time in special drawing rights of the amount of the liability.
- (2) The equivalent in special drawing rights of the amount of a liability shall be determined by the Secretary of State—
  - (a) by reference to the day on which the guarantee is given, and
  - (b) by reference to the last day of each quarter at the end of which the guarantee remains in force,
 and shall be so determined having regard to what appears to him to be the appropriate rate of exchange.
- (3) A determination made under subsection (2)(a) above shall take effect as from the day by reference to which it is made and (unless it ceases to be required at an earlier date) shall remain in force until the end of the quarter in which the guarantee is given.
- (4) A determination made by reference to the last day of the quarter under subsection (2)(b) above shall take effect as from the end of that quarter and (unless it ceases to be required at an earlier date) shall remain in force throughout the next succeeding quarter.
- (5) The amount to be taken into account under section 8(7A) of this Act in respect of a sum paid or received by the Secretary of State otherwise than in special drawing rights shall be an amount determined by him, by reference to the day of payment or receipt and having regard to what appears to him to be the appropriate rate of exchange, as being the equivalent in special drawing rights of that sum.
- (6) The limit imposed by section 8(7A) of this Act may be exceeded if the excess is attributable only to, or to a combination of.—
  - (a) a quarterly revaluation;
  - (b) the Secretary of State's liability under a guarantee given in pursuance of a previous undertaking of his, so far as the amount to be taken into account for the purposes of the limit in respect of the liability exceeds what it would have been if determined by reference to the day on which the undertaking was given ;

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- (c) a payment made by the Secretary of State under a guarantee, so far as the amount to be taken into account for the purposes of the limit in respect of the payment exceeds what it would have been if determined by reference to the day on which the guarantee was given.
- (7) In this section—
- 'guarantee' has the same meaning as in section 8 of this Act;
  - 'quarter' means a quarter ending with 31st March, 30th June, 30th September or 31st December in any year;
  - 'quarterly revaluation' means a determination made under subsection (2)(b) above."

## SCHEDULE 2

Section 21.

## REPEALS

Chapter	Short Title	Extent of Repeal
1972 c. 5.	The Local Employment Act 1972.	<p>In section 11—</p> <p>subsections (1) to (3);</p> <p>in subsection (4), the words from " but " to " Secretary of State";</p> <p>subsections (6), (7) and (10)(a).</p> <p>In section 13—</p> <p>in subsection (1), the words from " or vested" to " 1960 ";</p> <p>in subsection (2), the words from " or vested" to " 1960 " and the words " or vested in ".</p> <p>In Schedule 2, paragraph 2.</p>
1972 c. 63.	The Industry Act 1972.	<p>In section 3(2)(a), the words from " or vary the " to " this Act".</p> <p>In section 9, the subsection (5) inserted by paragraph 3 of Schedule 4 to the Scottish Development Agency Act 1975.</p> <p>Section 13(6).</p> <p>In section 16(1)(a), the words from " and section 5" to " Agency Act 1975 ".</p>

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Chapter	Short Title	Extent of Repeal
<a href="#">1975 c. 68.</a>	The Industry Act 1975.	<p>Section 1(8).</p> <p>In section 2(2), in paragraph (b) the words " reorganisation or ", and paragraphs (c) and (d).</p> <p>Section 4.</p> <p>In section 8, in subsection (2) the words from " but" to the end, and subsection (3).</p> <p>Section 10(3).</p> <p>Section 21.</p> <p>In section 22, the words from " and " to the end.</p> <p>Sections 28 to 34.</p> <p>In section 37(1), the definitions of " the Ministers" and " planning agreement".</p> <p>In section 39(5), paragraph (6) and the word " and" immediately preceding it, and the words from " and the latter Act" to the end.</p> <p>In Schedule 2, paragraph 8(3).</p> <p>In Schedule 4, paragraphs 1(a), 2(a), 2(b)(i), 3 and 4, and Part II.</p> <p>In Schedule 5. paragraph 9.</p> <p>Schedule 6.</p>
<a href="#">1975 c. 69.</a>	The Scottish Development Agency Act 1975.	<p>Section 2(1)(b).</p> <p>In section 2(2)— in paragraph (c) the word " reorganisation "; paragraph (f); at the end of paragraph (h), the word " and ".</p> <p>Section 5.</p> <p>In section 13— in subsection (2)(d), the words from "otherwise" to "Act";</p>

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1975 c. 70.	The Welsh Development Agency Act 1975.	<p>in subsection (3), the words from " but " to the end;  subsection (4);  in subsection (5)(a), subparagraph (iii) and the word " or" immediately preceding it.</p> <p>Section 14(3).</p> <p>In section 17, the words from " with " to the end.</p> <p>Section 18.</p> <p>In section 20(5), the words " section 5 of this Act and ".</p> <p>In Schedule 2—  in paragraph 3(1), the words from " other than" to " Act";  in paragraph 7(2), paragraph (b) and the word " or" immediately preceding it;  paragraph 7(5).</p> <p>In Schedule 4, paragraphs 3 and 4.</p> <p>Section 1(2)(c).</p> <p>In section 1(3)—  in paragraph (d) the word "reorganisation ";  paragraph (e);  at the end of paragraph (h), the word " and ".</p> <p>In section 1(11), the words from "in connection" to "above".</p> <p>Section 3.</p> <p>Section 12.</p> <p>In section 18—  in subsection (2)(d), the words " otherwise than under section 12 above ";</p>



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		<p>in subsection (3), the words from " but" to the end; subsection (4); in subsection (5)(o), subparagraph (iii) and the word " or" immediately preceding it.</p> <p>In section 19, in subsection (3) the words " Subject to subsection (4) below ", and subsection (4). Section 20(3).</p> <p>In Schedule 3— in paragraph 2(a), the words from " without" to " above"; paragraph 3(4); in paragraph 7(2), paragraph (b) and the word "or " immediately preceding it; paragraph 7(5); in paragraph 9(3), the words from " which was" to " but".</p>