

## APPENDIX 1

### **Recommended response on the proposed revisions to the Industrial Development Act 1982 (IDA).**

#### **Question 1: Should Northern Ireland's automatic inclusion as an assisted area in the UK be removed?**

West Lancashire Borough Council (WLBC) believes that Northern Ireland's automatic inclusion as an assisted area in the UK should be removed. The IDA mandated the automatic inclusion of 100% of the Northern Ireland population in the UK regional aid map. This has resulted in relatively prosperous areas of Northern Ireland being eligible for aid when less well off areas in the rest of the UK (measured in terms of GDP per capita) have not. The continued automatic designation of 100% of Northern Ireland as an assisted area, irrespective of GDP per capita assessment, would limit the UK's flexibility to renegotiate the aid map as a whole, as it will indiscriminately use up a proportion of the UK's total assisted area allocation.

The removal of Northern Ireland's automatic inclusion would increase flexibility to allocate regional aid map coverage throughout the UK as a whole, whilst not necessarily result in the total omission of Northern Ireland from the assisted area classification.

#### **Question 2 : Which of the options listed for uprating the per project financial limit for section 8 financial assistance should be adopted?**

- 1. Revise the amount to £27 million to reflect the effect of inflation between 1982 and 2011**
- 2. Revise the amount to £50 million to reflect the increase in UK GDP between 1982 and 2011**
- 3. Leave the amount unchanged at £10million**

WLBC believes that option 2 should be adopted. This would reflect the scale of national resource that could be deployed for industrial development. There is no direct cost to Government from this change as it permits increased funding to respond to economic circumstances but imposes no duty on Government to engage in such funding.

#### **Question 3: Should the ability to provide per project foreign currency guarantees without a financial cap be removed and instead aligned with the sterling limit?**

WLBC understands that this proposed change would mean that no distinction is drawn between aid paid in the form of sterling or foreign currency

transactions when applying the financial caps. The revised cap should apply irrespective of what currency is used. This will ensure greater transparency and oversight of aid for industrial development.

**Question 4: Should the IDA be updated to include telecommunications and broadband in the list of basic services the improvement of which can be funded in a development area?**

WLBC supports the inclusion of telecommunication and broadband within the list of basic services. There is no direct cost to Government from this change. The benefit is that Ministers would have the flexibility to directly fund broadband services in areas of inadequate provision to promote industrial development in areas of digital exclusion.

**Question 5: Should the IDA be amended to extend the Secretary of State's powers relating to land acquisition and development**

WLBC supports this proposal. Making this amendment will enable the Government to appropriately manage out land assets and liabilities acquired, for example, through the dissolution of the RDAs. The cost of not doing this would be that government would be unable to realise the full value of such land.