

EUROPEAN COAL AND STEEL COMMUNITY

HIGH AUTHORITY

PAMPHLETS ON INDUSTRIAL REDEVELOPMENT

LUXEMBOURG

N.º 6

MAY 1965

LOCATION OF INDUSTRY POLICY IN BRITAIN



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**SOME ASPECTS OF LOCATION
OF INDUSTRY POLICY IN BRITAIN**

by

S.A. Sadler Forster,

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and

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INTRODUCTORY NOTE

It is one of the High Authority's duties to help in dealing with the difficulties arising for certain areas as a result of closures of mines or steel plants.

Accordingly, the High Authority in April 1962 set up an Expert Committee on Industrial Redevelopment to co-ordinate its development policy and examine related problems. The members of the Committee are :

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The Committee's study programme comprises a great many subjects, including regional action bodies, location and equipment of industrial sites, industrial building as part of area development policy, the socio-economic structure of mining areas, and experience gained from past redevelopment schemes.

The findings are published as Summary Reports in the series «Economics and Regional Policy».

To assist the Committee with its studies, working parties have been set up consisting of experts from the six Community countries and Great Britain. The working parties on the first three subjects mentioned above are headed respectively by Mr. Detroz (Belgium), Mr. Massacesi (Italy) and Mr. Parodi (France); the names of their other members are listed below.

The present Report, which has been supplied by Mr. Sadler Forster for the purposes of the three studies in question, describes British experience in this connection.

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INTRODUCTION

The inevitability of industrial change is not a new phenomenon. What is new is the speed at which it is taking place. The impact on communities throughout the World is greater and more sudden. It brings with it a strong sense of urgency. For social, economic, and, indeed, political reasons, industrial change demands action. No longer is it possible to rely on supply and demand to make effective and satisfactory adjustments. The pattern of living is also changing. Much of this is due to transport. The rapidly increasing numbers of road vehicles, and particularly of private motor cars, are no longer a mild threat, but an actual menace to the smooth running of cities, towns and villages. As Dr. Buchanan, an outstanding British authority on Traffic, has said «We cannot dis-invent the motor-car». It is here and we must learn to live with it.

Just over half a century ago the aeroplane was an experiment. Today it is an accepted form of fast travel carrying many millions to and from all parts of the World. Mobility is no longer an objective : it is a fact.

New types of houses, new methods of building them, new forms of motive power and fuels, the increasing application of automation to industrial production, accountancy and office management, new methods of shopping, transport and distribution, the merging of industrial and commercial units and very many other changes in systems of government and in environments make their impact on communities of all sorts and conditions. Shorter working hours bring more leisure and the problem of what to do with it, creating new uncertainties, dissatisfactions and demands. More and more the individual tends to look to government - local, regional and national - to solve his problems, particularly those relating to employment, housing, education and leisure.

Fundamental changes cause the decline of previously prosperous districts or regions. Others grow in strength : some too quickly.

Never before has the planning of land use been more important. How to use land to the best advantage of the community is the basic problem. No one country has the complete answer. All that each can do is to explain the stage it has reached : the way in which it, for example, selects, develops and administers «industrial zones». The authorities - local, regional and national - which initiate, advise, finance or administer. The part played by organisations charged with the responsibility of rehabilitation of the social and economic fabric of communities, or the building of new townships or new industrial units. In short the putting together of a gigantic jigsaw against a background of pressures and human frailties.



REGIONAL ORGANISATIONS

1. The Regions

What are known as «the Regions» in Britain are broadly the Civil Defence Regions of the last War. Many are, or include, economic units : for example the Midlands Region is the great industrial area centred on Birmingham : the Northern Region includes the industrial rivers Tyne, Wear and Tees in Durham, Northumberland and parts of North Yorkshire. This «economic unit» owes its origin and its current problems to the twin coalfields of Durham and Northumberland.

In such «economic units» only isolated districts may be subject to «declin industriel» or «retard de développement,» but recent experience has confirmed the wisdom of dealing with the under-employment problems of such «districts» within the context of regional development.

2. Government responsibility and action

The action to be taken, and by whom, is largely a matter of politics. Does the Government accept a full employment policy? Britain's experience of its Distressed Areas in the 1930s showed clearly that the problem must be handled by the Central Government. The following are some of the reasons, viz: -

- a) Redevelopment or rehabilitation costs are usually beyond the resources of «local» municipalities or other organisations. Private capital is usually unwilling to take substantial risks in a district in decline.
- b) The will of the locality to take action is weakened by natural anxieties and local pressures, and inexperience in the ways and means of tackling such problems.
- c) The solution of the problem usually necessitates consideration of several aspects of national policy - housing; transfer of workers; retraining; financial inducements to stimulate the attraction of new industries; compensation; etc.
- d) The Government's national economic policy will be a factor of vital importance.
- e) Confidence is created by evidence of a Government's firm intention to find a solution.
- f) The regrouping of urban areas, including the abandonment of some, may be unpopular locally and demand firm action by the Central Government.

The Central Government may delegate specific responsibilities to regional organisations, but these organisations must be provided with adequate finance.

An example from Britain is found in the formation of Trading Estates Companies in the Distressed Areas in the 1930s. These were wholly financed by the Central Government, but had the advantage of local and private initiative as the directors (unpaid) were local public-spirited industrialists and trade unionists. These Trading Estates are now managed by the Industrial Estates Corporations named in the Local Employment Act 1960. They have become recognised experts in industrial development and are responsible for over £100,000,000 of industrial property. They are permanent features of British policy.

The degree of autonomy which the Central Government gives to an organisation which it sets up (as in the above paragraph), or when it finances the activities of an existing organisation, is important, but no rules can be laid down. It is affected by tradition and politics. Every effort should be made to prove that the organisation is competent and efficient and that the solution

of the problem would be expedited by the delegation to it of as much authority as possible.

The nomination of Chairman and directors of such organisations by the Central Government is a useful form of control.

The Chairman should be taken into the Government's confidence on all matters of high policy affecting the organisation's work.

Research is important, but care must be taken to see that it leads to action before the situation deteriorates still further.

The essential objective is to encourage Governments to take action. The facts of the problem are often capable of being clearly and concisely presented. It is the willingness to act in any way which is a first essential. Once there are signs of this willingness the selection of methods is, by comparison, easy.

3. Board of Trade administers Location of Industry Policy

The Distribution of Industry Act 1945 was one of the results of the British Government's White Paper on Employment Policy 1944, in which all parties accepted the principles of a policy of full-employment. Under this legislation the Board of Trade became responsible for the administration of Location of Industry policy. Further Distribution of Industry Acts were passed in 1950 and 1958 but on the 1st April 1960 they were repealed by the Local Employment Act 1960. This Act gave the Board of Trade somewhat similar powers to those contained in the Distribution of Industry Acts, but, in addition, enabled the Board to finance the building of hotels, shops and commercial offices as well as factories. The areas in which the Board of Trade were to operate were limited to «development districts», smaller than the original «development areas.»

There are two main aspects of Board of Trade policy -

- a) The use of the Industrial Development Certificate (came into force in July 1948 as the result of powers conferred by sub-section 4 of Section 14 of the Town and Country Planning Act 1947) to discourage industrial development in cities, towns or districts of overfull employment.
- b) The steering of industrial development to «development districts» described in the Local Employment Act 1960 as - «any locality in Great Britain where in the opinion of the Board of Trade a high rate of unemployment exists or is expected and is likely to persist.» A rate of about 4 % of the insured working population is accepted as the first sign of imminent danger.

This «steering» is done by persuasion, providing information about such localities, and by financial inducements. Those in current use in terms of the Local Employment Acts of 1960 and 1963 are -

- I) Factory on a rental basis built by the Government's agents - the Industrial Estates Management Corporations. These are Statutory Authorities set up by the Local Employment Act 1960, which took over the original Trading (or Industrial) Estates Companies, most of which date from 1936-37.
- II) Factory built (as I) above) but purchased by the occupier over 15-20 years, the Government taking a mortgage equivalent to the full cost and charging slightly below the market rate of annual interest.
- III) A grant of 25 % of the building cost to a firm financing its own development. (Local Employment Act 1963).
- IV) A grant of 10 % of cost of certain new plant and machinery. (Local Employment Act 1963).
- V) Loans at less than the market rate of annual interest.
- VI) Tax allowance («accelerated depreciation»). Firms may write off cost of new plant and machinery in the first year. (Finance Act 1963).

The above «inducements» are only available in the «development districts.»

4. Finance

A committee of industrial experts and trade unionists - all of them non-civil servants - known as the «Board of Trade Advisory Committee» advises the Board of Trade whether or not such grants (above) should be made. This Committee meets in London.

Industrialists may also apply for financial assistance to the following organisations, viz : -

Finance Corporation for Industry Ltd : formed to assist in the provision of capital (in amounts of £ 200,000 and upwards) for the re-equipment and development of major industries with a view to promoting efficiency and thereby assisting in the maintenance and increase of employment.

Industrial and Commercial Finance Corporation Ltd : to provide credit and finance (in sums from £ 5,000 to £ 200,000) by means of loan and share capital for industrial and commercial concerns in Great Britain, particularly in cases where the existing facilities provided by banking institutions and the Stock Exchange are not readily or easily available.

Both these bodies were set up in 1945 to assist in dealing with the problems of post-war reconstruction and development. The Government displayed considerable interest in their formation, but has no representation on the Boards. They are not financed by Government, but by insurance companies, trust companies and banks.

5. Board of Trade's Regional Organisation

For the purposes of the local administration of the Board of Trade's policy the Board has a Regional Organisation, staffed by civil servants.

6. Research by the Board of Trade

The Board of Trade conducts its own **research** into the conditions of the regions and this is done within a Department of the Board of Trade known as «the Distribution of Industry Division». The advice of Universities and other private research organisations is invited where necessary. A Research Officer is attached to each of the offices of the Board's Regional Organisation. An Information Office is available to industrialists in London at the Headquarters of the Board of Trade. Supplementary Information Offices are attached to the Board's Regional Organisation.

7. Regional Reports : special enquiries.

In the early part of 1963 the Government appointed one of its senior Ministers to conduct an enquiry into the conditions of the North East of England. The Report was published in November 1963.

This was the first of several «regional» studies carried out by civil servants who **consulted**, *inter alia*, local Universities, trade organisations, industrial and commercial firms, Local Authorities, Trade Unions, etc.. The conclusions contained in such Reports are the responsibility of Government Ministers and civil servants and not of the persons and organisations consulted.

Two similar Reports have recently been published, viz : -

1. Central Scotland.
2. South East of England.

These Reports marked a renewed interest in «regionalism».

One of the results of the Report on the North East was the formation of the «North East

Development Group» ⁽¹⁾ composed of representatives (civil servants only) of the Board of Trade, Ministries of Labour, Housing, Public Works, Transport, etc. The objectives of this Group were to co-ordinate public investment policy and in particular the development of housing, schools, hospitals, transport, industry and public services in and for the Region (and particularly in a «Growth Zone» - a new conception : the whole of it is listed as «development districts» none of which will be removed from the list until there is strong evidence of a general and sustained improvement in employment in the Region as a whole). The Group facilitated decisions involving Government approval, finance and grants by administering as much as possible of these matters locally. The representatives of the several Ministries have their regional offices in one building in Newcastle upon Tyne. This building may be described as a Whitehall in miniature.

8. Regional Planning

On the 25th February 1965 a number of Regional Economic Planning Councils (members are selected and appointed by the First Secretary of State and Secretary of State for Economic Affairs : they are **not** civil servants) were set up by the Government. Part of their purpose is «to ensure that the regional implications of growth are clearly understood and taken into account in the planning of land use, of development - in particular of industrial development - and of services».

Their formal terms of reference are :

- I) To assist in the formulation of a regional plan, having regard to the best use of the region's resources;
- II) To advise on the steps necessary for implementing the plan on the basis of information and assessments provided by the Economic Planning Board;
- III) To advise on the regional implications of national economic policies.

These Economic Planning Councils will work with Regional Economic Planning Boards (composed of civil servants) which will provide machinery for co-ordinating the work of Government Departments concerned with regional planning and development. Their creation will not affect the existing powers and responsibilities of Local Authorities or existing Ministerial responsibilities.

9. Local Authorities and Government

Local Authorities (i.e. Municipalities, «Communes») are responsible for publicly financed housing, education, certain classifications of roads, improvement of amenities, etc. New projects require the approval of the appropriate Minister (e.g. Minister of Education for new schools). Where the Local Authority proposes to raise loans «loan sanction» must be obtained from the Ministry. In many cases Governments grants are available necessitating application to the appropriate Ministry.

10. Functional Regional Organisations - examples of

There are several organisations with «regional» responsibilities and functions, viz : -

⁽¹⁾ This has now become the Regional Economic Planning Board for the Northern Region.

Hospitals	- Regional Hospital Board (financed by Ministry of Health : members appointed by the Minister)	} These Boards function as entities, being associated nationally by membership of Gas (or Electricity) Councils.
Gas	- Gas Board, (this is a nationalised Industry. Directors appointed by Minister of Power operate under specific Acts of Parliament.)	
Electricity	- Electricity Board, (this is a nationalised Industry. Directors appointed by Minister of Power operate under specific Acts of Parliament.)	
Coal	- Divisional Coal Board, (this is a nationalised Industry and the «Divisions» are part of the National Coal Board.)	
Industry (See also note below on Regional Boards for Industry)	- Industrial Estates Management ⁽¹⁾ Corporations (for England, Scotland and Wales). These manage the Board of Trade financed Industrial Estates located mainly in areas of high unemployment.	
Railways	- British Rail is nationalised and responsible to the Ministry of Transport. Administration is in the hands of Area or Regional Boards, but these are geographically different from those of the other five organisations.	
Water	- is not nationalised and is administered by private companies operating in districts (i.e. supplying one or more towns) rather than regionally.	

All these organisations are executive bodies.

There is no Regional Board co-ordinating the activities of these executive (or functional) organisations. In the ordinary course of, and for, day-to-day business they may confer on specific projects, but there is no overall regional direction and control. Each organisation is ultimately

⁽¹⁾ For further information see «An introduction to Industrial Estates and the part they play in Location of Industry policy in Britain» - published by the Industrial Estates Management Corporation for England, Team Valley, Gateshead. 11, England.

INDUSTRIAL ZONES

18. Development Plans - required by Law.

The planned use of land has only been recognised in Britain since 1909 when the first of several Town Planning Acts was passed. An attempt to plan on a comprehensive basis was made under the Town and Country Planning Act 1932, but the powers available under that Act were very limited, the financial resources of the Local Authorities were insufficient to face the problems of compensation and betterment, and it was found that many problems could not be solved on a local basis. In other words many of the Planning Authorities were too small.

The Town and Country Planning Act of 1947 replaced the 1932 Act. It was a stronger and more positive piece of legislation in all respects. Under the 1947 Planning Act Authorities were required to prepare and to submit a Development Plan to the Minister of Town and Country Planning (now known as the Minister of Housing and Local Government).

The County of Durham in North East England has been selected as an example of what happens throughout Britain.

A map of the County of Durham (see Appendix A) shows the six Planning Authorities, viz: -

I	County Borough of South Shields	
II	County Borough of Gateshead	In December 1947 population
III	County Borough of Sunderland	of these five Boroughs was
IV	County Borough of West Hartlepool	444,710.
V	County Borough of Darlington	
and VI	The remainder of the County of Durham (known as the «County Council of Durham») population in December 1947 - 878,720, divided into administrative divisions : North East Durham Area : East Durham Area : North West Durham Area : West Durham Area : Central North Durham Area : South West Durham Area : and South East Durham Area.	

Each of these six Authorities is required to prepare a «Development Plan». Such Plans normally cover a period of 20 years : they must be reviewed at least once every five years : extended and altered at any time so that they are kept up to date.

The following is an extract from the County Council's Report -

«The Town and Country Planning Act 1947, requires that the County Council shall carry out a survey of their area, and shall, not later than three years after the appointed day, or within such extended period as the Minister may in any particular case allow, submit to the Minister a report of the survey together with a plan (hereinafter called a «development plan») indicating the manner in which they propose that land in that area should be used (whether by the carrying out thereon of development or otherwise) and the stages by which any such development should be carried out».

This Development Plan is to consist of a 1" County Map showing the broad intentions over the whole of the County, and a number of 6" Town Maps showing in more detail the proposals for selected urban areas. This written analysis deals only with the 1" County Map.

The Minister has asked that the following documents shall be submitted.

- a) A 1" map showing the present use of the land.
- b) A 1" map showing volumes of road and rail traffic.
- c) A 1" map showing proposals for the use of land over a 20 year period and certain important proposals which may not come within this period.

- d) A 1" map showing the programme or stages of development within the 20 year period of the plan.
- e) A written analysis which is to be a comprehensive description of the existing conditions in the County, the defects and problems revealed by the survey, and the proposals being put forward to remedy these defects.
- f) A written statement which is a brief statement of the proposals without an analysis of existing conditions and defects.

Only the 1: proposal map (Item c), the 1: programme map (Item d) and the written statement (Item f) will be formally approved as the Development Plan. The remaining plans and the written analysis will be needed by the Minister to judge the soundness of the Development Plan but will not be given his formal approval.

It will be noticed that the Development Plans indicate «the manner in which they (the Planning Authorities) propose that land in their areas should be used». One of these land uses is «for industrial development» - hence the term «industrial zone».

19. Industrial Zones - how and why they are designated

The basic reason for scheduling areas known as «industrial zones» in these «Development Plans» is to **prevent** industrial development from conflicting with the planned land uses for housing, schools, hospitals, shops and other commercial buildings, recreation, etc., by **permitting** industrial development in the «industrial zones». This does not mean that all the «industrial zones» shown on a Development Plan will be eventually developed. Usually they will be more than are required by the future employment needs of the Area, but this is done mainly in order to give industrialists a choice of zones. As will appear in the course of this Paper, «industrial zones» shown on a Development Plan can be quite small (available for **one** small factory) or medium or large suitable for the development of several factories. There are several reasons for actively developing an «industrial zone», viz.: -

20. Use in New Towns and in other urban development and redevelopment

- a) Under the New Towns Acts of 1946 and 1949 the British Parliament has set up a number of New Towns administered by Statutory Authorities known as New Town Development Corporations.

There are two types of New Towns -

- 1) Those whose purpose is to assist in decentralising industry and people from overdeveloped cities and towns, such as London. Examples in the London Area are - Crawley, Harlow, Basildon, etc.
- 2) Those whose purpose is to provide new environments in order to assist in attracting new industries, thus providing new employment in an Area where a basic industry is in decline, e.g. the New Towns of Peterlee and Newton Aycliffe in the County of Durham coalfield.

When a New Town Corporation is formed the Minister of Housing and Local Government designates an Area for the New Town. The New Town Corporation then becomes responsible for planning and developing the Area with the object of building a Town of an agreed size (e.g. with a population of 60,000). Its first duty is to prepare a Master Plan and to agree this with the Minister. In this plan the New Town Corporation will provide «industrial zones» and later will develop them as «Industrial Estates», on which the Corporation will build factories for rental or sale and manufacturers may build at their own cost. A New Town Corporation is fully financed by Government and arranges the rents of housing, factories, shops, etc., on an economic basis in order to become eventually a viable entity.

- b) Under the Town Development Act 1952 the British Government has also powers to encourage the transfer of population and industry to **existing** Towns (not New Towns as above) which are suitable for expansion. These towns will have provided «industrial zones» in their Development Plans and will proceed to attract Industry by similar methods to those in use by the New Town Corporations.
- c) In the replanning of cities and towns for which purposes the British Government makes grants in aid, including those for the removal of slums and other derelict buildings, it will be necessary to remove industries from central areas of redevelopment in order to permit the construction of new roads, shops, housing, etc. Compensation will be paid to these industries and they will be encouraged to go to «industrial zones» within the city or town, or to «industrial zones» in areas outside but contiguous to these cities and towns.
- d) In a Region of industrial transformation where new industries are being attracted to take the place of industries in decline, e.g. coal, there may well be considerable unemployment. The British Government has powers under the Local Employment Acts 1960 and 1963 to encourage new industrial development in «development districts» (i.e. where high unemployment exists or is imminent and is likely to persist) by developing «industrial zones» into «Industrial Estates» and «Industrial Sites» by building factories for rental or for sale and making available developed land for manufacturers to build at their own cost. The development of such «Industrial Estates», etc., is carried out by Statutory Authorities known as Industrial Estates Management Corporations. The British Government (through the responsible Department - the Board of Trade) purchases the land, and provides the Corporations with the necessary finance to develop the land for industrial purposes and for the building of factories to let or for sale. Although such developments are not subject to the jurisdiction of local Planning Authorities as they are on «Crown Lands» the usual practice is to have full regard to the «Development Plans» of the local Planning Authorities within which they are situated. Appendix B shows the extent of such developments in the North East Region of England with the employment so far created. Over 90 % of this has been since 1945.
- e) Many new industries moving into an Area will prefer to build at their own cost, as will older established firms concerned with expansion. In these cases they will discuss their proposals with the local Planning Authorities who will steer the firms to «industrial zones» scheduled in the Authority's «Development Plan». Similar action will be taken if a group of financiers wish to develop a large «industrial zone» as an «Industrial Estate».

An «Industrial Estate» is an approved «industrial zone» in course of active development for industrial purposes.

21. Planned land use : importance since 1947.

The «industrial zones» have been scheduled by the local Planning Authority in its «Development Plan». This is an exercise in «land uses». The Authority is concerned with many aspects of the life of a community and has power to acquire and develop land for planning purposes and deal with certain questions of amenity; for instance, the preservation of buildings of special historic and architectural interest, and of trees and woodlands and the control of advertisement display.

Until the Town and Country Planning Act 1947 «too little thought was given to the securing of easy and convenient relationship between the various places of activity and to the creation of beauty. Sometimes schools, shops, clubs, open spaces and the like were added at a later stage to the areas of housing instead of being designed from the beginning as parts of a balanced unit» (from the Introduction to the County Council of Durham Development Plan 1951).

The 1947 Act enhanced the status of Planning Officers. Planning as a subject, became popular in Britain in the immediate post-war years, and several schools of Planning were set up. These supplied the staffs of the expanding Planning Departments of the local Planning Authorities.

The Planning Departments became responsible for preparing the Development Plans based on much detailed investigation, research and thought, and which marked the opening of a new field of administration. One of the Documents to be submitted with the Development Plan to the Government was -

«A written analysis which is to be a comprehensive description on the existing conditions in the Planning Authority's Area, the defects and problems revealed by the survey, and the proposals being put forward to remedy these defects.»

One of these defects might be that the existing industries had been declining for some time, and might continue to decline in the future. The Planning Officers had to assess the amount of expanding new industry which should be attracted to offset this decline. The result of this enquiry influenced the selection and location of «industrial zones». These «industrial zones» had to be fitted into the Development Plan as a whole and in particular in terms of the road system (so that goods and people could move freely to and from the zones), and of public services : gas, water, electricity and transport.

Some of the larger towns and cities went further and engaged professional firms of Planning Consultants. (In Britain, Town and Country Planning became a Faculty in several Universities). These Consultants were engaged to prepare plans for large-scale urban redevelopment which necessitated the resiting of some existing industries. Increased attention was, therefore, given to the theory and practice of «industrial zones» to which they could be moved or attracted.

22. Industrial Development Certificate - instrument of Location of Industry policy.

The research necessary before a Development Plan of any kind can be prepared is only one side of the story. The Town and Country Planning Act of 1947 introduced the Industrial Development Certificate. Sub-section 4 of Section 14 of the Act says -

«an application to the local planning authority for permission to develop land by the erection thereon of an industrial building (in practice one in excess of 5,000 ⁽¹⁾ sq. ft.) shall be of no effect unless it is certified by the Board of Trade that the development can be carried out consistently with the proper distribution of industry, and a copy of the certificate is furnished to the local planning authority together with the application.»

The scheduling of an «industrial zone» in a Development Plan is the responsibility of the local Planning Authority, but before any new industrial development can take place in such a «zone» the Central Government has to be willing to grant Industrial Development Certificates. There is thus the possibility of a clash of opinion between Central and Local Government. The Central Government must satisfy itself that there is a need for new employment in the Area, and that the amount and kind of labour required by the proposed development can be met immediately or in the foreseeable future in that Area. The Central Government may decide that it would be better if the proposed development went to another Area where the need for new employment is more urgent or where the requirements of the industry can be better met. In these respects the Central Government is taking a «national» rather than a «local» view of the problem. It is not criticising the location of the «industrial zone», but until the Central Government is willing to grant Industrial Development Certificates the «zone» cannot be developed, even though, in terms of the theory of planning, the «zone» is well sited. The Central Government, therefore, conducts its own research mainly through the Ministry of Labour (labour supply statistics) and the Board of Trade (industrial production, state of trade, etc.).

(1) Now being reduced to 1,000 sq. ft.

23. Location of Industry - an employment policy, not a national plan.

There is as yet no national plan in Britain for the location of industry and the attendant research and publicity although the Royal Commission on the Distribution of the Industrial Population recommended the formation of a Central Authority, national in scope and character, to the British Parliament in 1940. Parliament has preferred to work on these matters through two Departments - the Board of Trade which is the one mainly concerned, and the Ministry of Housing and Local Government.

(See reference on page 16 to the formation of Regional Economic Planning Councils and Regional Economic Planning Boards.)

24. Industrial Zones - some general comments

One must not leave out of account the fact that Local Planning Authorities, like human beings, vary in their ambitions. Some may wish to stay as they are in order not to alter the essential character of their Area (e.g. the market town which does not want to be industrialised); others may be ambitious and wish to expand in a way which might be detrimental to their neighbours or the Region. The Central Government has power in considering the appropriate Development Plan and/or subsequent applications from industrialists for the essential preplanning approval Industrial Development Certificate, to achieve a more balanced distribution of industry and population.

Obviously to be successful an «industrial zone» must be more than the pipe-dream of an ambitious local Planning Authority. Whatever inducements, financial and otherwise, are offered to a manufacturer with the object of attracting him to establish a factory in a certain Area, he must be convinced that the factory will be a success on a long-term basis; that is to say long after the financial inducements have ceased to have an effect. There are Areas to which, once the original industrial base has disintegrated, it would be unwise to endeavour to attract new industry. In such cases it would better to move the people to another Area gradually.

Therefore, before an «industrial zone» can become an active zone of new industrial development it must satisfy modern requirements - transport (including air), good supply of intelligent labour with local training facilities, attractive residential and recreation areas for key workers, executives and directors, cheap power and other public services. The physical character of the zone is an important factor, as is the attitude of Local Government and the degree of assistance.

Given these essentials the «settling in» problems of manufacturers can be assessed and appropriate financial assistance provided.

A *zone industrielle* becomes an «Industrial Estate» only when it is developed for industrial use. The «zone» is selected by a Planning Authority as a location where it would not object to industrial development taking place. Some of this industrial development may be noxious and that, in itself, will influence location, e.g. sufficient distance from housing not to cause a nuisance: sited where effluent can be suitably disposed. Planning may, therefore, be negative and positive (in that limited sense).

A *zone industrielle* is a zone scheduled by the Local Planning Authority; firstly because it is not needed for other purposes, e.g. housing; secondly because it appears to the Planning Authority likely to be of interest to industrialists; and thirdly because it appears to have the attributes of a good industrial site - transport facilities, nearby workers houses, essential public services or means of providing them.

However carefully the Local Planning Authority may consider «land uses» in its Area, a detailed study of all the «industrial zones» will not be possible at the time they are scheduled in the «Development Plan». Certain general tests will have been applied, but until it is known what firms (and particularly their type of production and special requirements) are likely to use the «zone» the scheduling is more a matter of planning theory than practice. Many of the ques-

with the several forms of urban development and the local infrastructure will only emerge in practice when the «zone» is being actively considered by one or more firms as a location for their industrial development.

It is, therefore, considered that the best way of explaining certain aspects of British planning and development is to state the steps which are being taken at the moment in preparing a Plan for the development of a 300-acre «industrial zone» into an «Industrial Estate». The following paragraphs explain the procedures.

25. Development of an «industrial zone» as an Industrial Estate - a practical example.

During the years 1961 and 1962 the conurbation known as «Teesside», i.e. the area centred around the River Tees which divides the County of Durham in North East England from the North Riding of Yorkshire, ran into difficulties caused by a grave shortage of orders in the local steelworks and heavy engineering factories. At the same time technological changes were taking place in these iron and steelworks and the local chemical industry, and large investment projects in the steelworks and chemical works had just been completed. The immediate result was a very considerable amount of unemployment shocking the Area which, for a decade, had been one of the most prosperous in Britain. The Teesside conurbation has a population of approximately 420,000. The main industries are iron, steel, chemicals, shipbuilding and heavy engineering, and the number of insured workers is approximately 168,000.

In the early part of 1963 a leading member of the British Government, aided by a group of civil servants, studied the problem. One of the recommendations made was that a large Industrial Estate should be developed on Teesside to act as «the focus for much of the Area's future development». This recommendation was accepted by the British Government. The investigation had revealed that Teesside would need in the next decade 16,000 new jobs mainly for men. It appeared, therefore, that an «industrial zone» of some 300 acres would be needed for development as an Industrial Estate.

In an Estate of this size it is common practice to assume that one-third of the land will eventually represent the covered factory area : the other two-thirds being taken up by roads, car-parks, storage and open spaces. Experience has shown that the average density of employment of a variety of industrial processes is approximately 170 persons to the covered acre of factory space. Therefore if the total floor area of the factories on the Industrial Estate is 100 acres this would produce 17,000 jobs (i.e. 100 acres x 170). As the Estate would be developed over the next ten years, during which increasing technological changes (including automation) in industry would be having the effect of reducing the average density of employment in factories, it is wiser to assume that the number of jobs which 100 acres of factory space would produce would be less than in the past : probably 15,000, or even as low as 10,000, instead of the 17,000 mentioned above. These trends must, therefore, be kept under review as no accurate estimate of employment can be made in advance. The development must feel its way.

Before physical work can be commenced several steps must be taken. A suitably located site has to be found and a survey made of its physical characteristics. Assuming that the information obtained from the survey is satisfactory the lands have then to be purchased. Whilst the negotiations with the several owners are proceeding, a Study Group will be appointed to consider and to report on all aspects of physical planning and development, including internal roads on the proposed Industrial Estate linked to the road traffic system of the Teesside conurbation. Arising out of the conclusions of the Study Group an estimate will be made of the costs of clearing and levelling the site, constructing roads, drains and sewers, and of bringing gas, water, electricity and other public services, e.g. telephones, to the Estate.

Details of the above stages are as follows, viz : -

26. Selection of Site

The Board of Trade and the Ministry of Housing and Local Government made a preliminary study of the sites available in the Teesside Area, bearing in mind, inter alia, the probable growth of the several towns in the conurbation and the future development of the road system currently being investigated by Consultants acting for the Ministry of Transport.

Discussions were then opened with the Industrial Estates Management Corporation for England (a Statutory Authority appointed under the terms of the Local Employment Act 1960, financed by, and subject to, policy directions from the Government) which was advised of the results of the preliminary study made by the Board of Trade and the Ministry of Housing and Local Government and instructed to examine a short list of sites and to make a recommendation.

The Industrial Estates Management Corporation for England inspected the sites and recommended one of approximately 300 acres for the following reasons, viz : -

- I The site is situated in a rural environment capable of providing the proper setting for modern light industry and yet is within 1 ½ miles of an established urban district with a large supply of labour.
- II Road connections to the several parts of the Teesside conurbation are good and are to be improved by the construction of a new major road route to the river's docks and ports. This road is to be built on the eastern boundary of the site.
- III The site is within six miles of a new Civil Airport.
- IV The land is relatively level and a preliminary survey suggested that it is capable of providing good foundations and that it could be satisfactorily drained.
- V Preliminary discussions with the suppliers of gas, water and electricity showed that no practical difficulties are anticipated in bringing these public services to the site. Similar assurances were given about bus services for transport of workers, and about telephones.
- VI Within easy travelling distances there are plenty of attractive villages which might prove attractive locations for the houses of directors and executives.

The recommendation was accepted by the Government which publicly announced its approval and authorised and financed a Survey of site conditions by Civil Engineering Consultants under the direction of the Head of the Technical Department of the Industrial Estates Management Corporation for England as a preliminary to purchase.

27. Purchase of Site

The Industrial Estates Management Corporation for England prepared plans of the Site showing clearly the boundaries and other physical characteristics and supplied these to the Valuation Department of the Board of Inland Revenue which was instructed by the Board of Trade to purchase the several plots of land, all of which were complete farms or parts of farms. The Valuation Department was advised by the Board of Trade that if any owners were unwilling freely to negotiate Compulsory Purchase Orders would be issued. In the event no C.P.Os. were necessary.

(The Valuation Department of the Board of Inland Revenue acts for the Central and Local Governments in the purchase of land for these Governments and in the sale of Government-owned property.)

28. Appointment of Study Group - to prepare the Master Plan.

The Industrial Estates Management Corporation for England appointed a Study Group, headed by a University Professor of Architecture and assisted by experts on Road Traffic,

Landscaping, Civil Engineering and by senior technical officers of the Industrial Estates Management Corporation for England.

This Study Group was instructed to examine all aspects of the planning and development of the site, and to prepare a **Master Plan** which was to include, *inter alia*, an international road system, car parks and 'bus stations, all of which were to take into account the anticipated increase in road traffic in the next two decades, the way in which the site was to be levelled and drained, the location of factories and their probable size and form, including the need for areas of development free from noise to encourage efficient work by managements. Attention was also to be given to the preservation of trees and woodlands and their further expansion : to amenities, places of rest and recreation, the siting of service buildings such as banks, post offices, labour supply offices, central heating plants, canteens, and electrical substations and buildings for the servicing of gas and water supplies.

In the course of their work the Study Group had discussions with many authorities : the principal ones were -

Borough of Thornaby-on-Tees	}	the Local Planning Authorities
North Riding County Council		
North Eastern Electricity Board		
Northern Gas Board		
Tees Valley Water Board		
Post Office Telephones Department		
Local Public 'Bus Services		
Ministry of Transport and their Traffic Consultants.		
National Coal Board	}	about fuel for central heating plants.
Oil Companies		

Five months after appointment the Study Group submitted a Report to the Industrial Estates Management Corporation for England, who, after considering it fully, passed it to the Board of Trade with recommendations.

29. Estimated Cost of Civil Engineering Development

The Report of the Study Group included an estimate of the cost of clearing, levelling and draining the site, constructing roads, car parks, 'bus stations or laybys, landscaping and amenities, and general service buildings.

This estimate of the cost of civil engineering development was divided into two phases and an application made to the Board of Trade for the necessary finance to carry out Phase I.

The cost of the total civil engineering works is estimated at approximately £ 5,000 per acre, or £ 1,500,000 for the whole site of 300 acres.

The cost of factory buildings to be erected after the completion of the civil engineering works will probably exceed £ 15,000,000.

INDUSTRIAL BUILDINGS

30. Industrial Estates - a means of influencing regional development

Since 1935 British policy has attached great importance to the Government-financed Industrial Estates as a means of influencing regional development.

The procedure for the establishment of an Estate is as follows, viz : -

- a) The employment needs of an area, or district, are assessed by the Board of Trade and the Ministry of Labour in the light of local conditions, e.g. current unemployment, the anticipated decline of existing industries and the availability of an infrastructure capable of serving alternative industries. Government grants for the improvement of the infrastructure are made where necessary.
- b) An «industrial zone» is then found sufficient in size to enable the necessary amount of factory space to be built. The selection of a suitable site is made by the Government-sponsored Industrial Estates (which will later develop and manage the Industrial Estate) in conjunction with the Board of Trade, Ministry of Housing and Local Government and the local Planning Authority in whose «Development Plan» the «industrial zone» will have appeared. A «Development Plan» is required by law to be prepared by each Planning Authority showing for a given district the land reserved for all aspects of the community's life, viz. housing, shops, commercial buildings (e.g. offices), hospitals, schools, recreation, industry, etc. It is a plan of «land use».

In the course of these enquiries the Industrial Estates will have satisfied itself that water, gas and electricity can be brought to the proposed Estate at a reasonable cost, and that the Estate can be connected to the local road system.

The Estate will be situated within easy travelling distance of where the workers live. If new housing has to be built it will be preferable to site this near the Estate.

- c) The Industrial Estates then recommend the Government (the responsible Department is the Board of Trade) to purchase the site (i.e. the selected «industrial zone») and supports its recommendation with a preliminary estimate of the cost of civil engineering development, viz. site levelling and preparation, roads, drainage, lighting, landscaping, etc. It also estimates the amount of factory space that can be built on the Estate and the appropriate amount of employment that such factories will provide. As one of the aims of the development is to diversify the district's industrial structure by attracting a variety of industries, the assessment of employment at this stage must necessarily be approximate.
- d) Assuming that the Government accepts the recommendation (see c) the Board of Trade instructs the Government's Valuers to purchase the site on the Board's behalf. The Board of Trade (on behalf of the Government) thus becomes the freeholder of the site. The Industrial Estates is granted a 99 years lease by the Board of Trade.
- e) The Industrial Estates prepares a more detailed Master Plan for the civil engineering development of the site and, on obtaining a more accurate estimate of the cost of this work, applies to the Board of Trade for financial approval. On receiving this approval the Industrial Estates asks a number of selected public contractors to tender for the work and subsequently lets the necessary contract or contracts.
- f) At an appropriate stage of the civil engineering development the Board of Trade begins to make known the attractions of the Estate to firms requiring industrial premises and on receiving enquiries puts the firms concerned in touch with the Industrial Estates.

g) Interested firms have a choice of applying to the Industrial Estates in one of the three following ways, viz : -

- I For a factory to be built and for which the firm agrees to pay an annual rental. The normal procedure is for the firm to enter into a 21 years lease, with or without breaks. The right to break at the 10th or 14th year will only be granted if the tenant agrees to give the Industrial Estates the right to increase the rent at each break date.
- II For a factory to be built and for which the firm agrees to purchase by instalments, say over 15 - 20 years, interest being charged at the market rate or slightly below. This means that the firm will be purchasing the leasehold of the property by instalments. Accordingly it will enter into an agreement with the Industrial Estates to pay an agreed ground rent for a period of some 99 years.
(In both I and II above the Government, on application from the Industrial Estates, provides the latter with the necessary finance.)
- III For a site of land on which the applicant will build a factory at his cost. The firm enters into a Building Lease agreement with the Industrial Estates, agreeing to pay a ground rent for a period of some 99 years.

31. An example of a developed Estate

- a) Site - say 150 acres.
- b) Cost of civil engineering development - £ 800,000.
- c) Area of factory space (when site fully developed) 50 acres - say 2,200,000 sq.ft.
(The remainder of the site is used for roads, car parks and open spaces. Circumstances may arise where more than one third of the site is covered with factory space. The initial programme is, however, based on these proportions.)
- d) Cost of said factory space - £ 7,700,000 of £ 3.10.0d per sq.ft. (1)
- e) Total cost of Estate (b) + (d) = £ 8,500,000. (1)
- f) Total employment at an average of 170 per covered acre of factory space = 8,500.

32. Team Valley Trading Estate - some useful statistics

For a note on this Estate see Appendix C.

The following schedules are in Appendix D and E respectively.

Schedule (1) shows the density of employment in the several types of Industry working on the Estate. The average density per covered acre of factory space is 172.73 persons. An average density of 170 is used in the above.

Schedule (2) gives the diversity of employment.

The development of an Estate will not necessarily produce the results shown in these Schedules. This information is submitted as an example of a well diversified Estate with a bias in favour of engineering as Tyneside (of which Team Valley is part) is a centre of light and heavy engineering.

33. Design and Construction of Factories

The Industrial Estates is prepared, with the approval of the Board of Trade (the responsible Government Department) to build for rental, instalment purchase or outright cash sale -

Special types of factories (including those of more than one floor) to the requirements of applicants;

(1) The extent to which firms finance their own building development, or pay by instalments for factories built by the Industrial Estates, reduces the capital cost borne by the Government. These basic calculations and statistics are not, however, affected.

«General purpose» type factories in standard sizes of - 6,000 sq.ft. (divisible into four units of 1,500 sq.ft. each) : 15,000 sq.ft. : 25,000 sq.ft. : and 50,000 sq.ft.

or «Advance» factories forming part of a scheme specially sanctioned by the British Government. These are of various sizes. The factories under construction, and to which reference is made later, are of the following sizes, viz : - 10,000 sq.ft. (divisible into two of 5,000 sq.ft. each) : 25,000 sq.ft. : and 50,000 sq.ft.

The term «advance factories» means factories built in advance of demand, i.e. before the names and types of industries to occupy them are known. The location of these factories has proved a very important way of attracting firms to districts where further employment is needed. The term should **not** be confused with the expression «pre-fabricated factories» which refers to a **method** of construction.

These «advance factories» were designed by a consortium of architects working with the Head of the Technical Department of the Industrial Estates and applying knowledge of the requirements of a variety of industries.

(All factories are sited to give at least 100 % expansion, and in many cases up to 400 % expansion.)

34. Appointment of Architects and other Professional experts

As the forward demand for factory space cannot be accurately estimated the Industrial Estates engages as required professional architects from a Panel of selected architects in business on their own account who thus act for the Industrial Estates on the design and construction of a particular factory or group of factories. This has proved a better and more economical method than appointing architects to the staff of the Industrial Estates. The latter would be subject to the ebb and flow of work as some years are very much busier than others.

The same policy has been adopted in regard to quantity surveyors and civil engineering, lighting and heating consultants.

(The siting plans and elevations of all factories are subject to approval by the Industrial Estates in order to achieve balanced development on each Estate.)

35. Industrial Estates : Technical Department

The Industrial Estates has, however, a Technical Department which is responsible for instructing and supervising architects, etc., and for the **administration** of all sites' developments, civil and mechanical engineering work, factory building, repairs to roads, lighting, drains, etc., and to any plant (e.g. communal boiler plants) owned and operated by the Industrial Estates.

Details of the Technical Department of the Industrial Estates Management Corporation for England may be of some interest and are given in Appendix F.

36. Factories for rental

A manufacturer has the choice of one of three ways of obtaining a factory, viz. (I) on rental terms; (II) by purchasing a factory from the Industrial Estates by outright payment or by instalments; or (III) by leasing land and building the factory at his own cost. The majority of firms, large and small, on Government-financed Industrial Estates and associated sites (outside the Estates) prefer to rent factory space, but many of them purchase the premises later. Rentals are assessed with regard to the level of rents for industrial properties applying in the districts where

the factory is sited or is to be built. In areas of high unemployment the rental will be lower than an economic rent. The latter is considered to be the annual equivalent of 10 % on the building cost of the factory. Rentals in a high unemployment area vary from 6 % to 8 ½ % on the building cost of the factory dependent on local conditions, etc., e.g. a factory in a rural area will not command as high a rental as one in an urban or established industrial area.

The manufacturer may require the provision of special structural items not normally included in the Industrial Estates standard specification. Appendix G shows these items (known as «Tenants Extras») in three categories, viz. A, B and C, indicating in each case the method of payment.

37. Sites

In addition to the development of Industrial Estates (which vary in size from 50 acres to 750 acres) the Industrial Estates is prepared, with the approval of, and finance from, the Board of Trade to build factories - whether for rental or sale - on other sites. These are -

- a) **Group Sites.** These are «miniature» Estates on which two or three factories have been built.
- b) **Individual Sites.** These are sites for one factory only. The manufacturer will probably start by renting the property but later when he wishes to own the factory he may purchase the freehold. This is not possible on an Industrial Estate where only the leasehold interest (term of years usually 99 years) is sold.

38. Ground Rent

As explained in 30 (g) (III) above a manufacturer who intends to build at his own cost takes a lease (usually for 99 years) of the site he has chosen on the Industrial Estates. The annual ground rent is based on the local value of industrial land and varies from £ 250 per acre per annum to £ 750 per acre per annum dependent on location of the Industrial Estate, e.g. in a rural area or a well-developed industrial district. The Industrial Estates has the right to revise the Ground Rent every 20 years.

39. Inducements

To encourage industrialists to settle or expand in «Development Districts» (defined in the Local Employment Act 1960 as «any locality in Great Britain where in the opinion of the Board of Trade a high rate of unemployment exists or is expected and is likely to persist») the following inducements are available, viz : -

- a) **Factory space on a rental basis.** Enables manufacturer to use his resources fully on plant, machinery, work in progress, stores and the general organisation of his business. Such factories are on the Governments's Industrial Estates or Sites. Rents are lower than an economic rent. (see para. 36 on page 30).
- b) **Building Grant (non-repayable).** 25 % of the actual cost of construction. This grant is to encourage a manufacturer to finance the building of the factory he requires as an alternative to renting a Government-financed factory, (see (a) above).
- c) **Plant and Machinery Grant (non repayable).** 10 % of the cost of acquiring and installing plant and machinery which will «provide employment for the benefit of a Development District». Available to all manufacturers, old and new, in a «Development District».
- d) **Accelerated depreciation tax allowance.** Manufacturers may write off the whole of the cost of

certain new plant and machinery in the first year of purchase. Available to all manufacturers, old and new, in a «Development District».

- e) **Financial Loans and Grants.** On the advice of the Board of Trade Advisory Committee, Loans and Grants may be made to firms in «Development Districts» for developments which will provide employment in such Districts.

Details on grants etc are given in Appendix K, «What Standard Grants and Free Depreciation can mean to you».

40. The siting of factories as a means of influencing the Location of Industry

In order to show the effect of Government policy, based on the principle of «taking the work to the workers», the following information has been prepared from experience in the North East of England. Similar developments have been carried out in other parts of Britain where high unemployment, due to structural changes in local industrial economies, has made necessary the attraction of new industries to provide new types of employment. The North East is used as an example solely for reasons of simplicity.

- a) A map (Appendix 2) of the North East showing the employment created by the establishment of Industrial Estates and associated sites : most of this dates from 1945.
- b) A map (Appendix 11) of the location of «Advance» factories, built in the immediate post-war years, showing types of industrial production and present employment in each case. Much of this employment has come from the extension of the original premises. The siting of the «Advance» factories is, however, the reason why the present employment is there at all.
- c) A schedule (Appendix I) of the history of the occupancy of these «Advance» factories. This indicates that these «Advance» factories of standard design and construction are capable of being used by a wide variety of industries, with either no alteration to the premises or a minimum of adaptations.
- d) A Map (Appendix J) of the 1963-65 Programme of «Advance» factories.

41. Industrial Estates in England - building activities since 1st April 1960.

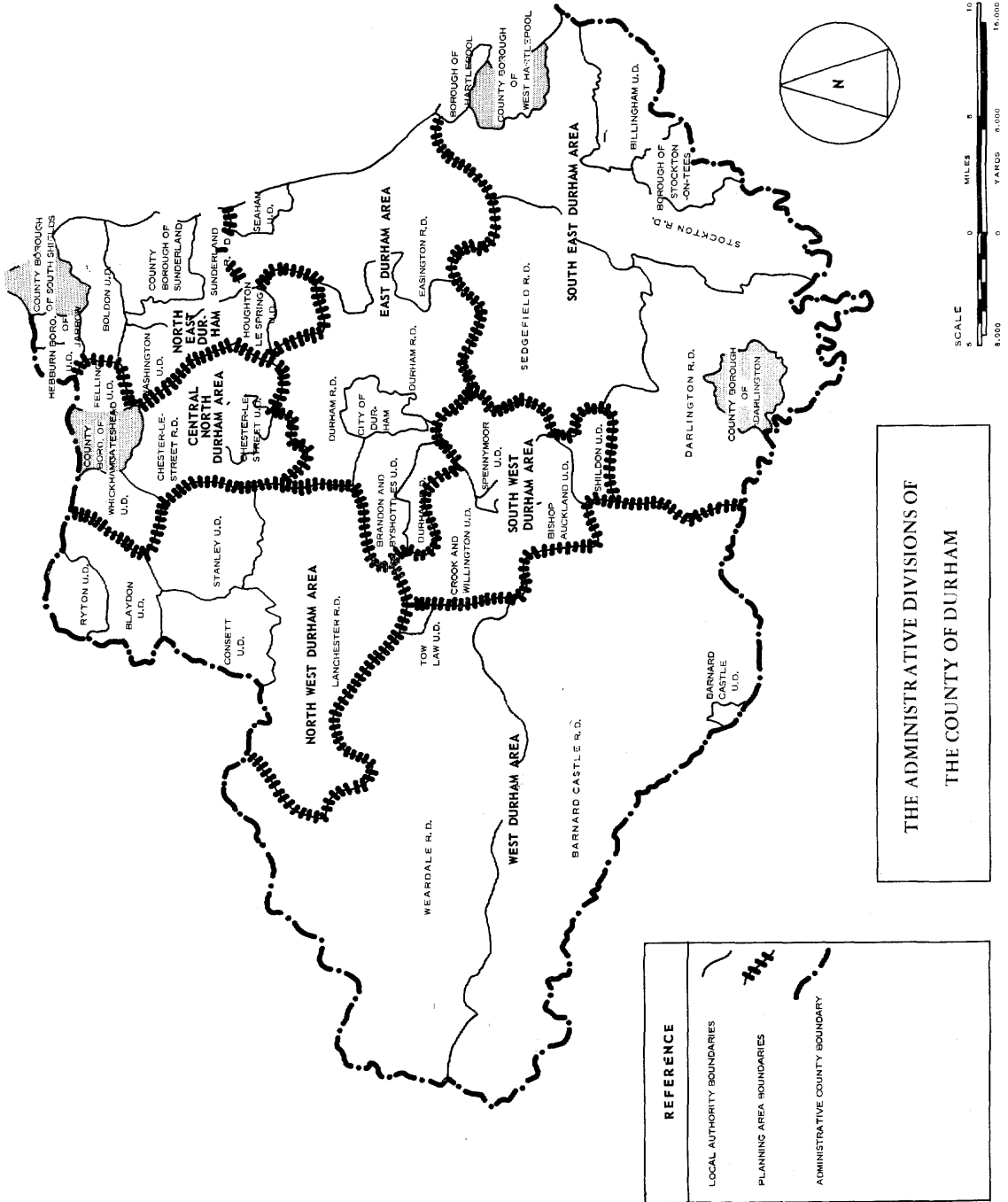
Since the passing of the Local Employment Act 1960, Government-financed building has amounted to 5,000,000 sq.ft. of factory space (costing over £ 15,000,000). This includes 34 «Advance» factories with a total area of 750,000 sq.ft.

During the same period firms building at their own cost on the Government's Industrial Estates and Sites in England have built, or are building, at least 15,000,000 sq.ft. (costing about £ 6,000,000).

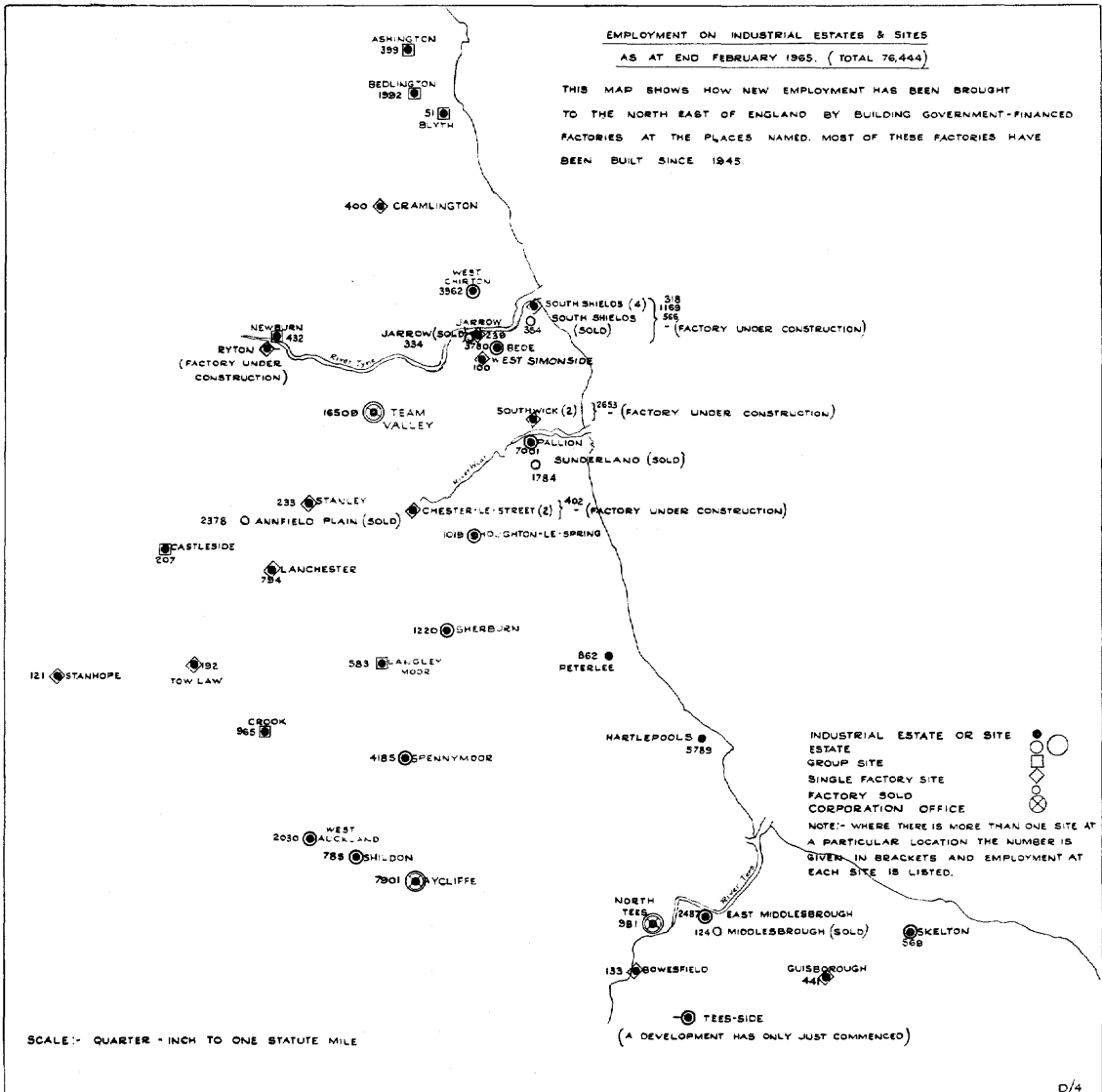
42. Employment on the Industrial Estates (in Great Britain, excluding Northern Ireland).

The number of persons employed in factories on the Trading (or Industrial) Estates and sites (in Britain) is now in excess of 275,000, and the current building programme will add many more : very shortly the total number at work will be more than 300,000. Rather more than 25 % are employed in the manufacturer of electrical goods and components, including electronics; 25 % in light engineering, including components for the motor and vehicles industry; 25 % in clothing, textiles and associated trades; and the balance in a wide variety of industries, including plastics, furniture, food, printing, packaging, leather goods, glassware, etc. At the 31st March 1964 the three Industrial Estates Corporations had over one thousand tenants.

APPENDIX 'A'



APPENDIX 'B'



TEAM VALLEY ESTATE

Of the seven hundred acre site originally purchased, Factory Premises Built (Public and Privately Financed), cover ninety acres, roads and railways one hundred and ninety acres, playing fields and open space fifty acres, land immediately available for industrial development one hundred and fifty acres, and land not immediately available due to mining one hundred and eighty acres, and land sold forty acres.

1. Employment*a) Density*

The employment on the Estate, excluding British Road Services and the National Coal Board at 31st December, 1963, was 14,686 ⁽¹⁾. This latter figure has been adjusted to take account of the De La Rue build-up and the occupation of factory E.10 by Lamp Metals Ltd. This brings the figure used to 15,606.

Schedule (1) attached gives details of employment per industry. The average employment per covered acre of factory space (including offices, canteen, boilerhouses, etc.) is 172.73 persons.

b) Diversity

Schedule (2) shows the diversity of employment over the main industrial groups.

2. Travel to Work

It has been calculated that the persons working on Team Valley travel as follows :-

1 Mile Radius of the Estate	60%
3 Mile Radius of the Estate	21%
6 Mile Radius of the Estate	9%
Over 6 Miles	10%
	100%

We have been advised by the Northern General Transport Co. Ltd., that 6,600 persons travel to and from the Estate by 'bus between 0730 hours and 0900 hours, and 1600 hours and 1730 hours. It is estimated that 1,000 persons travel to the Estate outside these hours, eg. night shift workers. 1,629 cars were parked on the Estate on 21st January, 1964, with 164 motor cycles. Allowing two persons per car, 3,404 persons travelled by car or motor cycle.

To summarise :-

By 'bus normal hours	6,600
By 'bus outside normal hours	1,000
Car and Motor Cycle	3,400
	11,000

⁽¹⁾ At the end of February 1965 the employment was 16,509.

This leaves a balance of 4,000 who come to work on foot or bicycle. Considering the close proximity of large housing estates to Team Valley, it is felt that this is not an unreasonable figure.

'Bus Stations

Of the one hundred and ninety acres referred to in the opening paragraph, 3.4 acres provide two 'bus stations, one of 1.85 acres and the other of 1.55 acres.

It has been decided as a matter of policy that a further 'bus station will not be constructed at the south end of the Estate which is now developing. Greater use will be made of 'bus lay-bys to roads. These can be constructed adjacent to factories, and rates are not payable as in the case of 'bus stations.

APPENDIX 'D'

Schedule (1)

The following table gives details of the employment per covered acre of factory space.

Industry	Area occupied sq.ft.	Area occupied acres	Employment	Average Employment per covered acre
Light Clothing	35,538	.816	341	418
Heavy Clothing	214,551	4.925	1,667	338
Hosiery and Knitwear	13,333	.306	161	526
Textiles	20,571	.472	61	129
Heavy Steel	32,354	.743	37	50
Light Metal Industries	59,706	1.371	205	149
Vehicles and Locos.	120,000	2.755	289	104
Office Machinery	35,795	.822	232	282
Building Materials	216,204	4.963	579	117
Building Contractors	74,880	1.719	306	178
Furniture and Bedding	102,098	2.344	464	198
Plastics	47,992	1.102	194	176
Repair of Plant	48,395	1.111	167	150
Engineering	1,203,979	27.640	4,798	174
Leather Goods	3,279	.075	25	333
Electrical Equipment	197,679	4.538	1,252	276
Fancy Goods	1,534	.035	19	542
Brushes	16,118	.370	101	272
Rubber	226,230	5.194	650	125
Remploy Ltd.	6,378	.146	44	301
Glass, China	47,239	1.084	123	113
Paper and Printing	539,610	12.388	2,077	168
Food, Drink	328,961	7.551	934	124
Services and Prof.	48,245	1.108	177	159
Distribution and Storage	271,547	6.234	609	98
Miscellaneous	23,396	.537	94	175
Totals :	3,935,612	90.349	15,606	172.73



APPENDIX 'E'

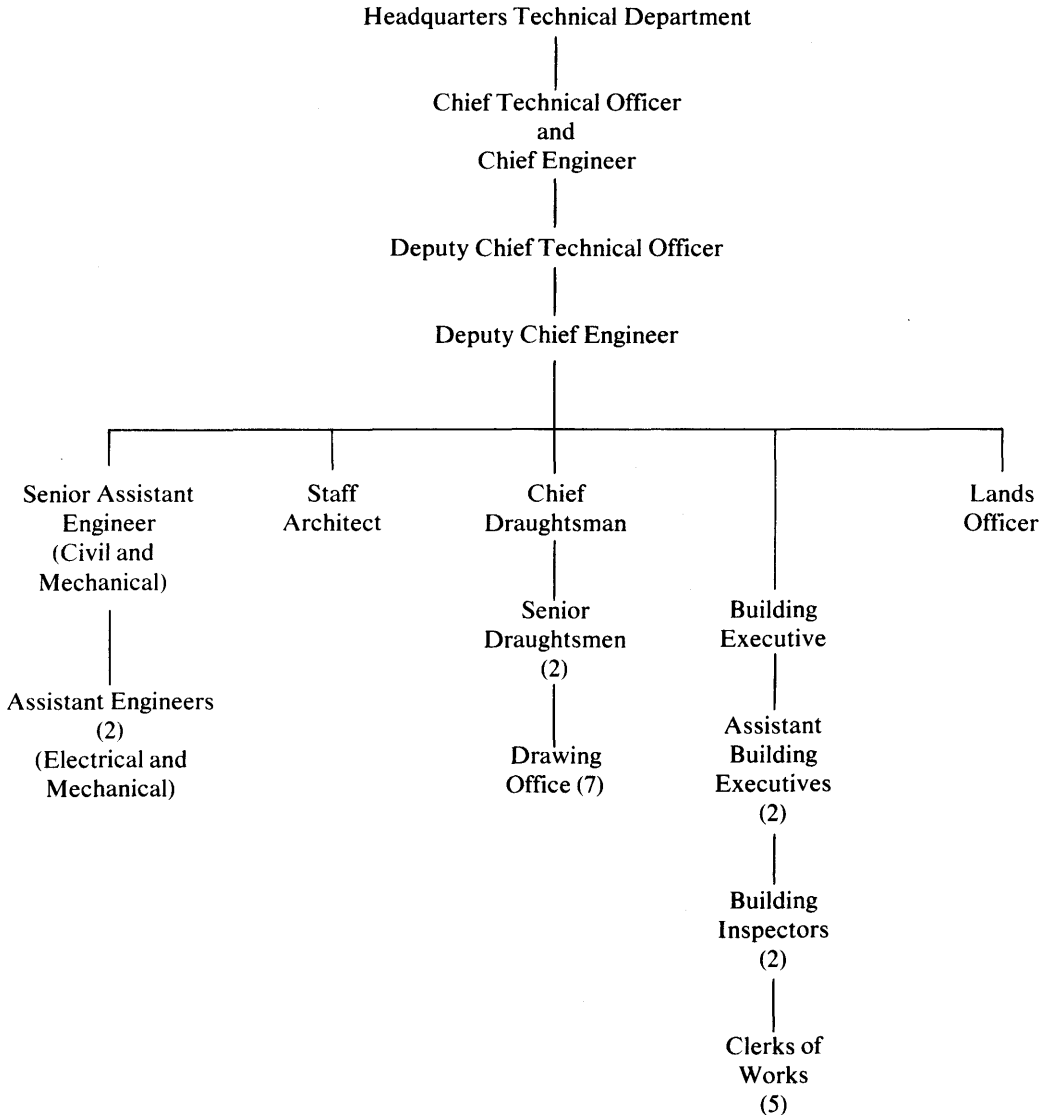
Schedule (2)

The following table shows the diversity of employment :-

	% 31.12.63
Light Engineering	36.7
Clothing and Textiles	14.3
Electrical Equipment	8.0
Printing and Packaging	13.3
Building Materials and Contractors	5.7
Food, Drink and Confectionery	6.0
Industrial Rubber Products	4.2
Service Industries	1.1
Furniture and Bedding	3.0
Distributive Trades	3.9
Plastics	1.2
Miscellaneous (including Leather Goods, Fancy Goods, Brushes and Glass)	2.6
	100.0%



**INDUSTRIAL ESTATES MANAGEMENT CORPORATION
FOR ENGLAND**

**Note :**

This Department is situated at Team Valley, the Headquarters of the Industrial Estates Management Corporation for England. It also has under its control a number of Engineers and Building Executives in other parts of England. The Department is responsible, inter alia, for finding out what type of factory a firm requires, for instructing and supervising architects and other consultants, for letting contracts to build and for progressing building and engineering works.

INDUSTRIAL ESTATES MANAGEMENT CORPORATION
FOR ENGLAND

Tenant Extras.

Category 'A'.

These are items which are essential to the industrialist to carry out his business and which would be of use to a wide variety of other industries. These items will be paid for by increasing the standard rent.

Category 'B'.

These are items which are essential to the industrialist to carry out his business, but which would **not** be of use to other industries.

Payment for these items can be spread over a number of years : usually up to the first break in the lease at an additional rent equivalent to 10 % of the cost of these items.

Category 'C'.

These items are classified as «non-essentials» and must be paid for in cash on completion of the work.

The attached schedule gives examples
of the three categories.

APPENDIX TO INDUSTRIAL ESTATES CIRCULAR NO. 24

TENANTS' EXTRAS

Category 'A'

1. Additional height to eaves (necessary for process of production).
2. Crane rails.
3. Extra heating for sedentary workers in accordance with legislation.
4. Extra lavatories (due to density of employment).
5. Extra lighting points (due to density of employment).
6. Fuel and oil stores.
7. Goods lifts in two storey buildings (necessary for process of production).
8. Inspection pits in garages. (For other inspection pits see No. 25).
9. Power points in offices.
10. Roof strengthening for lifting tackle.
11. Electrically operated doors (where manual operation is impractical).
12. Acoustic ceilings in offices (For other acoustic ceilings see No. 41).
13. Passenger lifts in buildings with 3 or more storeys.

Category 'B'

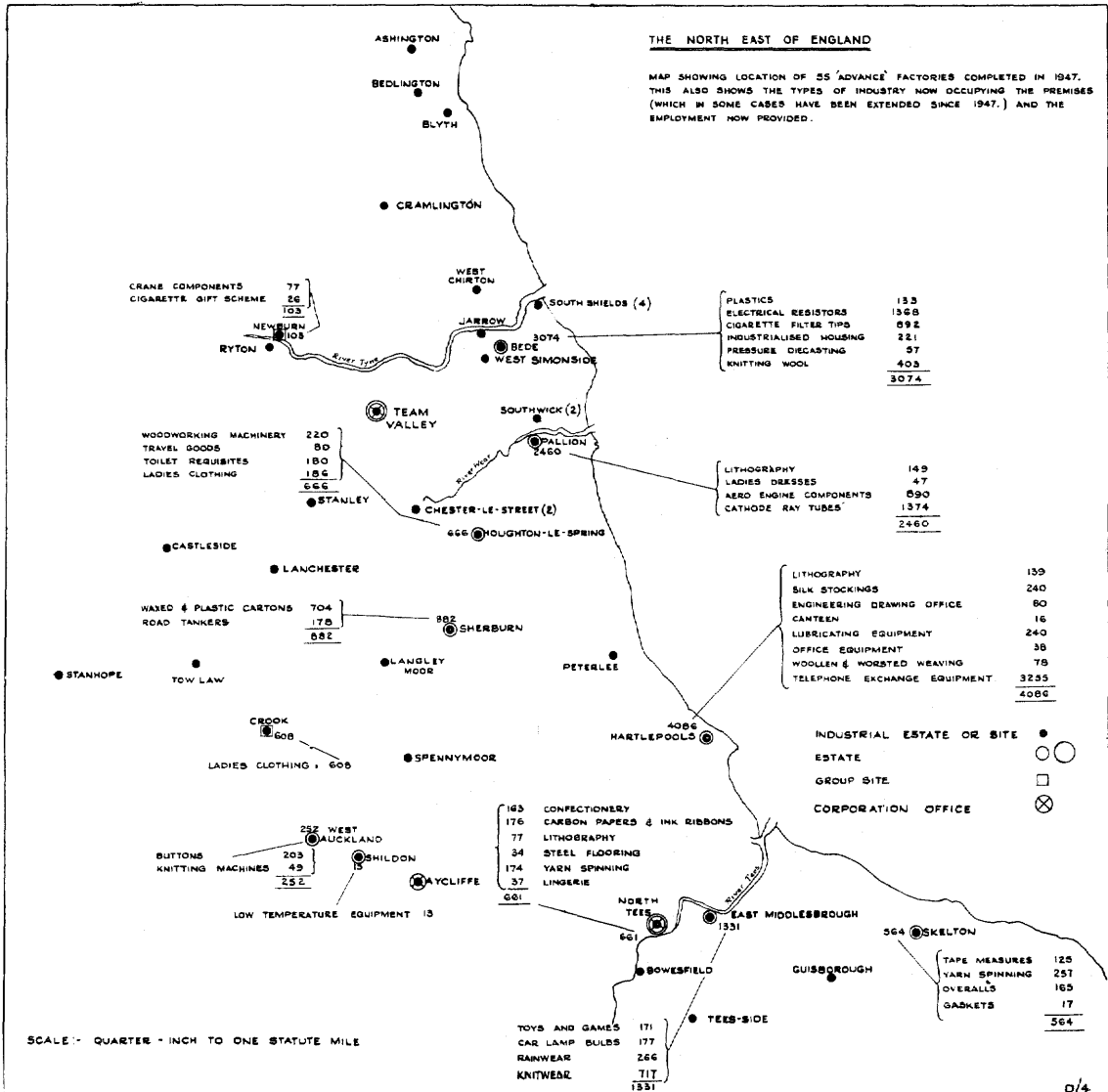
14. Air conditioning or special ventilation, including associated double glazing.
15. Conduits in floor for electricity or telephones.
16. Cranes.
17. Extractor fans in excess of normal requirements.
18. False or suspended ceilings, except as part of normal structure.
19. Fireproofing, asbestos linings etc., except as part of normal structure.
20. Floor reinforcements, except as part of normal structure.
21. Floor grading and channelling.
22. Flooring for sedentary workers (for offices see No. 50).
23. Flooring for trade requirements (e.g. acid resisting).
24. Foundations for machinery.
25. Inspection pits other than for garages. (For garages see No. 8).
26. Laboratory sinks.
27. Loading bays, docks, and canopies in excess of standards.
28. Partitions in production space.
29. Process steam installation in excess of normal heating.
30. Process gas installation.
31. Process water installation.
32. Power wiring installation.
33. Secondary staircases other than required by fire regulations.
34. Special effluent plant, drainage etc.
35. Spray booths.
36. Sprinkler systems.

37. Strengthening of foundations and steelwork to take loads above ground level for special process requirements.
38. Strong room doors and exceptional costs of strong rooms.
39. Tanks, underground, other than for fuel or oil.
40. Weighbridge houses and pits.
41. Acoustic ceilings and walls other than in offices. (For offices see No. 12).

Category 'C'

42. Cycle racks.
43. Double glazing, other than as at No. 14.
44. Drinking fountains in excess of statutory requirements.
45. Fitments, over standard.
46. Incinerators.
47. Name signs.
48. Private dining rooms, bathrooms, showers etc.
49. Showers - other than special industries, e.g. foundry.
50. Special floor finishes - parquet etc.
51. Wall panelling.

APPENDIX 'H'



HISTORY OF THE OCCUPANCY OF 'ADVANCE' FACTORIES

Factory	Original Area sq.ft.	Present Area sq.ft.	First letting
BT. 2/5	24,458	24,458	Canteen
BT. 2/6	24,458	27,925	Textiles.
BT. 2/7	24,458	27,926	Textiles.
BT. 2/8	16,315	32,199	Plastics.
BT. 2/9	27,100	27,100	Plastics.
BT. 2/10	24,458	24,458	Lubricating Equip.
BT. 2/11	16,315	55,500	Lubricating Equip.
BT. 2/12	29,858	29,858	Woollen and Worsted Weaving.
BT. 2/13	190,064	355,333	Telephone Exchange Equipment
BT. 2/17	16,315	16,315	Lubricating Equip.
BT. 2/18	16,315	52,302	Lubricating Equip.
BT. 6/5	24,458	24,458	Furriers.
BT. 8/3	24,458	42,194	Waxed Cartons.
BT. 8/5	24,458	27,958	Quilts and Cushions.
BT. 8/6	24,458	47,931	Road Tankers.
BT. 8/7	16,315	16,463	Canteen.
BT. 8/11	24,937	24,937	Textiles.
BT. 14/2	24,458	98,005	Textiles (weaving).
BT. 16/2	24,458	36,600	Cardboard Containers.
BT. 16/3	19,055	19,055	Ladies dresses/ Canteen.
BT. 16/4	55,444	139,884	Furniture.
BT. 16/5	48,672	268,741	Brushes.
BT. 19/3	24,458	24,458	Plastics.
BT. 19/14	92,462	223,707	Electrical Resistors.
BT. 19/15	24,458	49,187	Pharmaceuticals.
BT. 19/16	24,458	24,458	Canteen.

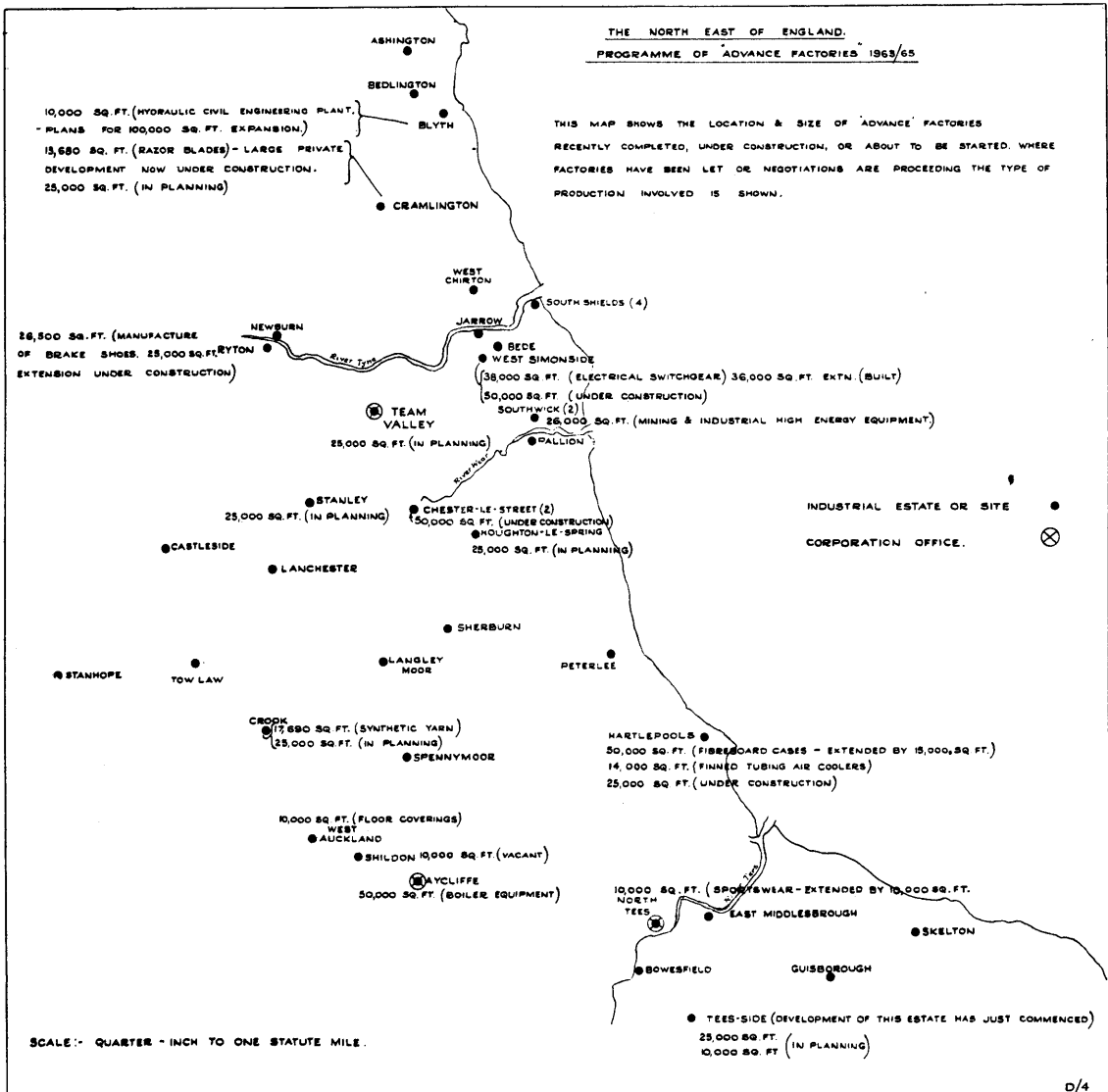
APPENDIX 'I'

Second letting	Third letting	Fourth letting	Fifth letting
<p>Lithography/ Canteen. Textiles. Textiles. Silk stockings. Office Equipment.</p> <p>Lithography. Tractor Servicing and repair.</p> <p>Waxed and plastic cartons.</p> <p>Road Tankers. Waxed and plastic cartons. Ladies dresses. Lithography.</p> <p>Ladies dresses/ Scientific glassware. Aero Engine components. Cathode Ray Tubes.</p> <p>Industrialised Housing. Post Office/Bank/ Canteen.</p>	<p>Engr./Dr.Office/ Canteen. Lubricating Equip. Lubricating Equip.</p> <p>Low Temperature equipment.</p> <p>Post Office/Bank/ Slippers.</p>	<p>Post Office/Bank/ Cigarette Filter Tips.</p>	

Factory	Original Area sq.ft.	Present Area sq.ft.	First letting
BT. 19/17	16,315	16,315	Textiles.
BT. 19/18	16,315	16,315	Pressure diecasting.
BT. 19/19	121,596	121,596	Textiles.
BT. 19/21	48,860	256,814	Cigarette Filter Tips.
BT. 20/2	24,458	24,458	Foundation Garments.
BT. 20/3	24,458	33,390	Carbon Paper and ink ribbons.
BT. 20/4	28,450	28,450	Lithography.
BT. 20/5	24,458	34,108	Open steel flooring.
BT. 20/6	24,458	35,908	Yarn spinning.
BT. 20/7	16,315	18,715	Canteen/Estate Office/Textiles.
BT. 20/8	14,978	19,830	Textiles.
BT. 20/10	13,650	13,650	Lingerie.
BT. 23/1	24,458	24,458	Tape measures.
BT. 23/2	31,193	66,071	Yarn Spinning.
BT. 23/3	16,315	16,315	Tape measures.
BT. 23/4	17,567	17,567	Overalls/Canteen.
BT. 23/5	48,672	48,672	Textiles.
BT. 24/1	24,458	44,458	Woodworking Machinery.
BT. 24/2	24,458	29,483	Travel Goods.
BT. 24/4	14,978	41,387	Electrical Gauges/ Canteen.
BT. 24/5	14,978	29,828	Ladies Clothing.
BT. 26/2	27,160	52,710	Glass.
BT. 28/2	24,458	37,666	Toys and Games.
BT. 28/3	16,315	16,315	Foundry.
BT. 28/4	16,315	24,415	Car Lamp Bulbs.
BT. 28/5	16,315	27,765	Textiles.
BT. 28/6	48,672	121,152	Knitwear.
WA. 8	24,458	37,163	Buttons.
WA. 9	24,458	34,052	Knitting machines.

Second letting	Third letting	Fourth letting	Fifth letting
<p>Gas Meters.</p> <p>Knitting wool.</p> <p>Confectionery.</p> <p>Canteen/Estate Office/Storage.</p> <p>Carbon Paper and ink ribbons.</p> <p>Open steel flooring.</p> <p>Overalls.</p> <p>Potato Crisps.</p> <p>Toilet requisites.</p> <p>Crane Components/ Plastic Containers.</p> <p>Toys and Games.</p> <p>Rainwear.</p>	<p>Cigarette Filter Tips.</p> <p>Canteen/Estate Office/Confectionery.</p> <p>Cylinder head gasket.</p> <p>Crane Components/ Cigarette Gift Scheme.</p>	<p>Canteen/Estate Office/Ladders.</p>	<p>Wood fireplace surrounds/Estate Office/Ladders.</p>

APPENDIX 'J'



What Standard Grants and Free Depreciation can mean to you

Do you know?

- I) 73% of the cost of qualifying plant and machinery installed can be recovered within two years; in the first year 60% can be recovered;
- II) 71% of the cost of the building can be recovered over the life of the asset; in the first year 34% can be recovered;
- III) if the aggregate of Standard Grants and tax allowances, which a project located within a development district can receive, is discounted at 10% and compared with the tax allowances only (discounted at the same rate) which would be received by a similar project located elsewhere, *the advantage in favour of a development district is 25% for plant and machinery investment and nearly 55% for building investment*; and
- IV) a new business established in a development district, which has not yet become profitable, need not pay any taxation until the entire investment in qualifying plant and machinery, plus the 30% investment allowance, has been written off.

The value of the benefit to each project is, of course, dependent on how the total investment is divided between plant, buildings, and working capital, and on the return which the company expects to receive on its capital. The assumptions on which the statements in (I) to (III) above have been made will not apply in every case. But you will be able to work out from the following pages how your own project can benefit.

THE VALUE OF STANDARD GRANTS AND FREE DEPRECIATION TO COMPANIES

The Government offer substantial financial and fiscal inducements to industry to set up new projects, or to expend existing undertakings in the development districts of Britain in order to create additional employment in these areas. These inducements include loans, grants and favourable terms for renting Government-owned factories, and a taxation concession known as «free depreciation».

The full range of the inducements is set out in two Government publications. «Expanding Industry», issued by the Board of Trade, explains the assistance available under the Local Employments Acts 1960 and 1963. The leaflet «Income Tax Allowances for Capital Expenditure on Machinery or Plant» (No. 430 (1963), issued by the Board of Inland Revenue, explains the scheme for Free Depreciation.

The purpose of this present pamphlet is to help businessmen to understand how the *Standard Grants and Free Depreciation* scheme work out in practice and how they combine to make a significant contribution towards meeting the cost of investing in a new project, or expansion, in the development districts. Briefly, these inducements are :

- I) under the *Local Employment Acts 1960 and 1963* the Board of Trade can make Standard Grants of 25% of the cost of erecting a new building or extending or adapting an existing building, and 10% of the cost of acquiring and installing plant and machinery in an industrial undertaking; and
- II) under the *Finance Act 1963* an industrialist can take advantage of the scheme for Free Depreciation and write-off his capital expenditure on qualifying plant and machinery at whatever rate he chooses.

In the case of the Standard Grants the benefit is obvious; they help the businessman to finance his investment. Free Depreciation has the same result; it allows the businessman to write off qualifying investment as quickly as he wishes so that, although the total taxation allowances available are no greater than would otherwise have been the case, they can be taken earlier and thus have a higher cash value. In other words, Free Depreciation means that the businessman can choose to pay less income tax and profits tax in the years immediately after his investment thus retaining a larger part of his profits in the business; he can use this to reduce the amounts he has to borrow to finance the investment and, in consequence, the financing charges he has to meet. The benefits which industrial undertakings in development districts gain from Standard Grants and Free Depreciation are illustrated ⁽¹⁾ in the following examples :

Recovery of Cost of Plant and Machinery

Approximately 73% of the total cost of items of plant and machinery installed in a development district is recoverable by way of grants and tax savings. If an existing undertaking, wherever situated, is earning taxable profits sufficient to enable it to take full advantage of the Free Depreciation provisions at the earliest permissible date the whole of this 73% recovery is effected within about two years following the year of installation and about 60% within one year, as follows :

⁽¹⁾ The timing of the recoveries by way of tax savings, as adopted in these examples, is thought to be typical, but the exact timing will be affected by the terminal date of the financial year adopted by the undertaking for accounting purposes.

