
Status: Point in time view as at 01/10/2005.

Changes to legislation: There are currently no known outstanding effects for the Water Act 1989, SCHEDULE 5. (See end of Document for details)

SCHEDULES

SCHEDULE 5

Sections 13 and 23.

TRANSITIONAL PROVISION ON TERMINATION OF APPOINTMENTS

Cases where Schedule applies

- 1 (1) This Schedule shall apply in each of the cases specified in sub-paragraphs (2) and (3) below.
- (2) The first case in which this Schedule applies is where—
- (a) the Secretary of State or the Director is proposing to make an appointment or variation to which section 12 of this Act applies; and
 - (b) by virtue of that appointment a company (“the new appointee”) will hold an appointment as the water undertaker or sewerage undertaker for an area which is or includes the whole or any part of the area for which until the relevant date another company (“the existing appointee”) holds an appointment as the water undertaker or, as the case may be, sewerage undertaker.
- (3) The second case in which this Schedule applies is where—
- (a) the High Court has made a special administration order in relation to any company (“the existing appointee”); and
 - (b) it is proposed that on and after the relevant date another company (“the new appointee”) should, without any such appointment or variation as is mentioned in sub-paragraph (2) above having been made, hold an appointment as water undertaker or sewerage undertaker for an area which is or includes the whole or any part of the area for which until that date the existing appointee holds an appointment as water undertaker or, as the case may be, sewerage undertaker.
- (4) In this Schedule—
- “existing appointee” and “new appointee” shall be construed in accordance with sub-paragraph (2) or (3) above according to whether this Schedule is applying in the case mentioned in the first or second of those sub-paragraphs;
- “other appointees” means any companies, other than the existing appointee and the new appointee, which are likely on or at a time after the relevant date to be holding appointments as water undertakers or sewerage undertakers for any area which is or includes any part of the area for which the existing appointee has at any time held an appointment as water undertaker or sewerage undertaker;
- “the relevant date” means—
- (a) where this Schedule applies by virtue of sub-paragraph (2) above, the coming into force of the appointment or variation mentioned in paragraph (a) of that sub-paragraph; and

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- (b) where this Schedule applies by virtue of sub-paragraph (3) above, such day, being a day before the discharge of the special administration order takes effect, as the High Court may appoint for the purposes of this Schedule;
- “special administration order” means an order under section 23 of this Act (whether made by virtue of that section or section 24 of this Act); and
- “special administrator”, in relation to a company in relation to which a special administration order has been made, means the person for the time being holding office for the purposes of section 23(2) of this Act.

Making and modification of transfer schemes

- 2 (1) The existing appointee, acting with the consent of the new appointee and, in relation to the matters affecting them, of any other appointees, may make a scheme under this Schedule for the transfer of property, rights and liabilities from the existing appointee to the new appointee.
- (2) A scheme under this Schedule shall not take effect unless it is approved by the Secretary of State or the Director.
- (3) Where a scheme under this Schedule is submitted to the Secretary of State or the Director for his approval, he may, with the consent of the new appointee, of the existing appointee and, in relation to the matters affecting them, of any other appointees, modify the scheme before approving it.
- (4) If at any time after a scheme under this Schedule has come into force in relation to the property, rights and liabilities of any company the Secretary of State considers it appropriate to do so and the existing appointee, the new appointee and, in relation to the provisions of the order which affect them, any other appointees consent to the making of the order, the Secretary of State may by order provide that that scheme shall for all purposes be deemed to have come into force with such modifications as may be specified in the order.
- (5) An order under sub-paragraph (4) above may make, with effect from the coming into force of the scheme to which it relates, any such provision as could have been made by the scheme and, in connection with giving effect to that provision from that time, may contain such supplemental, consequential and transitional provision as the Secretary of State considers appropriate.
- (6) In determining, in accordance with his duties under Part I of this Act, whether and in what manner to exercise any power conferred on him by this paragraph the Secretary of State or the Director shall have regard to the need to ensure that any provision for the transfer of property, rights and liabilities in accordance with a scheme under this Schedule allocates property, rights and liabilities to the different companies affected by the scheme in such proportions as appear to him to be appropriate in the context of the different functions which will, by virtue of this Act, be carried out at different times on and after the relevant date by the new appointee, by the existing appointee and by any other appointees.
- (7) It shall be the duty of the new appointee, of the existing appointee and of any other appointees to provide the Secretary of State or the Director with all such information and other assistance as he may reasonably require for the purposes of, or in connection with, the exercise of any power conferred on him by this paragraph.

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- (8) A company which without reasonable excuse fails to do anything required of it by virtue of sub-paragraph (7) above shall be guilty of an offence and liable, on summary conviction, to a fine not exceeding level 5 on the standard scale.
- (9) Without prejudice to the other provisions of this Act relating to the special administrator of a company, anything which is required by this paragraph to be done by a company shall, where that company is a company in relation to which a special administration order is in force, be effective only if it is done on the company's behalf by its special administrator.

Transfers by scheme

- 3 (1) A scheme under this Schedule for the transfer of the existing appointee's property, rights and liabilities shall come into force on the relevant date and, on coming into force, shall have effect, in accordance with its provisions and without further assurance, so as to transfer the property, rights and liabilities to which the scheme relates to the new appointee.
- (2) For the purpose of making any division of property, rights or liabilities which it is considered appropriate to make in connection with the transfer of property, rights and liabilities in accordance with a scheme under this Schedule, the provisions of that scheme may—
 - (a) create for the existing appointee, the new appointee or any other appointees an interest in or right over any property to which the scheme relates;
 - (b) create new rights and liabilities as between any two or more of those companies; and
 - (c) in connection with any provision made by virtue of paragraph (a) or (b) above, make incidental provision as to the interests, rights and liabilities of other persons with respect to the subject-matter of the scheme.
- (3) A scheme under this Schedule may contain provision for the consideration to be provided by the new appointee and by any other appointees in respect of the transfer or creation of property, rights and liabilities by means of the scheme; and any such provision shall be enforceable in the same way as if the property, rights and liabilities had been created or transferred, and (if the case so requires) had been capable of being created or transferred, by agreement between the parties.
- (4) The property, rights and liabilities of the existing appointee that shall be capable of being transferred in accordance with a scheme under this Schedule shall include—
 - (a) property, rights and liabilities that would not otherwise be capable of being transferred or assigned by the existing appointee;
 - (b) such property, rights and liabilities to which the existing appointee may become entitled or subject after the making of the scheme and before the relevant date as may be described in the scheme;
 - (c) property situated anywhere in the United Kingdom or elsewhere;
 - (d) rights and liabilities under enactments;
 - (e) rights and liabilities under the law of any part of the United Kingdom or of any country or territory outside the United Kingdom.
- (5) Where a scheme under this Schedule is made in the case specified in paragraph 1(3) above, the scheme may provide for the transfer to the new appointee, with such modifications as may be specified in the scheme, of the appointment under

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retained under Chapter I of Part II of this Act which is held by the existing appointee; and in such a case different schemes under this Schedule may provide for the transfer of such an appointment to different companies as respects different parts of the area to which the appointment relates.

- (6) The provision that may be made by virtue of sub-paragraph (2)(b) above includes—
- (a) provision for treating any person who is entitled by virtue of a scheme under this Schedule to possession of a document as having given another person an acknowledgement in writing of the right of that other person to the production of the document and to delivery of copies thereof; and
 - (b) provision applying section 64 of the ^{M1}Law of Property Act 1925 (production and safe custody of documents) in relation to any case in relation to which provision falling within paragraph (a) above has effect.
- (7) For the avoidance of doubt, it is hereby declared that the transfers authorised by paragraph (a) of sub-paragraph (4) above include transfers which, by virtue of that paragraph, are to take effect as if there were no such contravention, liability or interference with any interest or right as there would be, in the case of a transfer or assignment otherwise than in accordance with a scheme under this Schedule, by reason of any provision having effect (whether under any enactment or agreement or otherwise) in relation to the terms on which the existing appointee is entitled or subject to the property, right or liability in question.

Marginal Citations

M1 1925 c. 20.

Supplemental provisions of schemes

- 4 (1) A scheme under this Schedule may contain supplemental, consequential and transitional provision for the purposes of, or in connection with, the provision for the transfers or any other provision made by the scheme.
- (2) Without prejudice to the generality of sub-paragraph (1) above, a scheme under this Schedule may provide—
- (a) that for purposes connected with any transfers made in accordance with the scheme (including the transfer of rights and liabilities under an enactment) the new appointee is to be treated as the same person in law as the existing appointee;
 - (b) that, so far as may be necessary for the purposes of or in connection with any such transfers, agreements made, transactions effected and other things done by or in relation to the existing appointee are to be treated as made, effected or done by or in relation to the new appointee;
 - (c) that, so far as may be necessary for the purposes of or in connection with any such transfers, references in any agreement (whether or not in writing) or in any deed, bond, instrument or other document to, or to any officer of, the existing appointee are to have effect with such modifications as are specified in the scheme;
 - (d) that proceedings commenced by or against the existing appointee are to be continued by or against the new appointee;
 - (e) that the effect of any transfer under the scheme in relation to contracts of employment with the existing appointee is not to be to terminate any of

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those contracts but is to be that periods of employment with the existing appointee are to count for all purposes as periods of employment with the new appointee;

- (f) that disputes as to the effect of the scheme between the existing appointee and the new appointee, between either of them and any other appointee or between different companies which are other appointees are to be referred to such arbitration as may be specified in or determined under the scheme;
- (g) that determinations on such arbitrations and certificates given jointly by two or more such appointees as are mentioned in paragraph (f) above as to the effect of the scheme as between the companies giving the certificates are to be conclusive for all purposes.

Duties of existing appointee after the scheme comes into force

- 5 (1) A scheme under this Schedule may provide for the imposition of duties on the existing appointee and on the new appointee to take all such steps as may be requisite to secure that the vesting in the new appointee, by virtue of the scheme, of any foreign property, right or liability is effective under the relevant foreign law.
- (2) The provisions of a scheme under this Schedule may require the existing appointee to comply with any directions of the new appointee in performing any duty imposed on the existing appointee by virtue of a provision included in the scheme under subparagraph (1) above.
- (3) A scheme under this Schedule may provide that, until the vesting of any foreign property, right or liability of the existing appointee in the new appointee is effective under the relevant foreign law, it shall be the duty of the existing appointee to hold that property or right for the benefit of, or to discharge that liability on behalf of, the new appointee.
- (4) Nothing in any provision included by virtue of this paragraph in a scheme under this Schedule shall be taken as prejudicing the effect under the law of any part of the United Kingdom of the vesting by virtue of the scheme in the new appointee of any foreign property, right or liability.
- (5) A scheme under this Schedule may provide that, in specified cases, foreign property, rights or liabilities that are acquired or incurred by an existing appointee after the scheme comes into force are immediately to become property, rights or liabilities of the new appointee; and such a scheme may make the same provision in relation to any such property, rights or liabilities as can be made, by virtue of the preceding provisions of this paragraph, in relation to foreign property, rights and liabilities vested in the existing appointee when the scheme comes into force.
- (6) References in this paragraph to any foreign property, right or liability are references to any property, right or liability as respects which any issue arising in any proceedings would have to be determined (in accordance with the rules of private international law) by reference to the law of a country or territory outside the United Kingdom.
- (7) Any expenses incurred by an existing appointee in consequence of any provision included by virtue of this paragraph in a scheme under this Schedule shall be met by the new appointee.

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- (8) Duties imposed on a company by virtue of this paragraph shall be enforceable in the same way as if they were imposed by a contract between the existing appointee and the new appointee.

Further transitional provision and local statutory provisions

- 6 (1) The Secretary of State may, if he thinks it appropriate to do so for the purposes of, or in connection with, any appointment or variation to which section 12 of this Act applies or any scheme under this Schedule, by order made by statutory instrument—
- (a) make any provision which corresponds in relation to any enactment mentioned in Schedule 26 to this Act to any provision made by that Schedule or makes similar provision in relation to any other enactment;
 - (b) amend or repeal any local statutory provision.
- (2) An order under this paragraph may—
- (a) make provision applying generally in relation to local statutory provisions of a description specified in the order;
 - (b) make different provision for different cases, including different provision in relation to different persons, circumstances or localities; and
 - (c) contain such supplemental, consequential and transitional provision as the Secretary of State considers appropriate.

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