



# Water Industry Act 1991

## 1991 CHAPTER 56

### PART V

#### FINANCIAL PROVISIONS

#### CHAPTER II

#### FINANCIAL ASSISTANCE FOR UNDERTAKERS

<sup>F1</sup>151 .....

#### Textual Amendments

**F1** S. 151 repealed (1.4.1996) by 1995 c. 25, s. 120(1)(3), Sch. 22 para. 116, **Sch. 24** (with ss. 7(6), 115, 117, Sch. 23 para. 19); S.I. 1996/186, **art. 3**

#### 152 Grants for national security purposes.

- (1) The Secretary of State may, out of money provided by Parliament, make grants to relevant undertakers [<sup>F2</sup>and licensed water suppliers] for the purpose of defraying or contributing towards any losses they may sustain by reason of compliance with directions given under section 208 below in the interests of national security.
- (2) The approval of the Treasury shall be required for the making of grants under this section.

#### Textual Amendments

**F2** Words in s. 152(1) inserted (1.12.2005) by Water Act 2003 (c. 37), ss. 101(1), 105(3), **Sch. 8 para. 35**; S.I. 2005/2714, **art. 3(d)** (with Sch. para. 8)

*Status: Point in time view as at 01/04/2011.*

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**Modifications etc. (not altering text)**

- C1** S. 152: certain functions exercisable concurrently with the Secretary of State (1.7.1999) by **S.I. 1999/672, art. 2, Sch. 1**

**153 Government financial assistance where special administration orders made.**

- (1) Where a special administration order is for the time being in force in relation to a company, the Secretary of State, may, with the consent of the Treasury—
- (a) make to the company grants or loans of such sums as appear to him to be appropriate for the purpose of facilitating the achievement of the purposes of the order;
  - [<sup>F3</sup>(b) offer indemnities in respect of liabilities or loss incurred or sustained in the course of functions under the order.]
- [<sup>F4</sup>(1A) An indemnity under subsection (1)(b) may be offered to—
- (a) the special administrator,
  - (b) an employee of the special administrator,
  - (c) a member or employee of a firm of which the special administrator is or was a member or employee (or a successor of that firm),
  - (d) a body corporate of which the special administrator is or was an employee, or
  - (e) an officer, employee or member of a body corporate within paragraph (d).]

(2) The Secretary of State may, with the consent of the Treasury, guarantee, in such manner and on such conditions as he may think fit, the repayment of the principal of, the payment of interest on and the discharge of any other financial obligation in connection with any sum which is borrowed from any person by a company in relation to which a special administration order is in force at the time when the guarantee is given.

(3) Without prejudice to any provision applied in relation to the company [<sup>F5</sup>by or under section 23] —

    - (a) the terms and conditions on which a grant is made to any company under this section may require the whole or a part of the grant to be repaid to the Secretary of State if there is a contravention of the other terms and conditions on which the grant is made; and
    - (b) any loans which the Secretary of State makes to a company under this section shall be repaid to him at such times and by such methods, and interest on the loans shall be paid to him at such rates and at such times, as he may, with the consent of the Treasury, from time to time direct.

[<sup>F6</sup>(3A) Arrangements for a grant, loan or indemnity which are made while a special administration order is in force may continue to have effect after the order ceases to have effect.]

    - (4) Any grant or loan made under this section and any sums required to be paid by the Secretary of State in respect of an indemnity given under this section shall be paid out of money provided by Parliament.
    - (5) Any sums received under subsection (3) above by the Secretary of State shall be paid into the Consolidated Fund.

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#### Textual Amendments

- F3** S. 153(1)(b) substituted (1.4.2011) by Flood and Water Management Act 2010 (c. 29), s. 49(3), **Sch. 5 para. 4(2)** (with s. 49(1)(6), Sch. 5 para. 4(9)); S.I. 2011/694, art. 3(j)
- F4** S. 153(1A) inserted (1.4.2011) by Flood and Water Management Act 2010 (c. 29), s. 49(3), **Sch. 5 para. 4(3)** (with s. 49(1)(6), Sch. 5 para. 4(9)); S.I. 2011/694, art. 3(j)
- F5** Words in s. 153(3) substituted (1.4.2011) by Flood and Water Management Act 2010 (c. 29), s. 49(3), **Sch. 5 para. 4(4)** (with s. 49(1)(6), Sch. 5 para. 4(9)); S.I. 2011/694, art. 3(j)
- F6** S. 153(3A) inserted (1.4.2011) by Flood and Water Management Act 2010 (c. 29), s. 49(3), **Sch. 5 para. 4(5)** (with s. 49(1)(6), Sch. 5 para. 4(9)); S.I. 2011/694, art. 3(j)

### 154 Guarantees under section 153.

- (1) This section applies in relation to any guarantee given by the Secretary of State under section 153 above.
- (2) [<sup>F7</sup>As soon as is reasonably practicable] after a guarantee to which this section applies is given, the Secretary of State shall lay a statement of the guarantee before each House of Parliament.
- (3) Where any sum is paid out for fulfilling a guarantee to which this section applies, the Secretary of State shall, as soon as [<sup>F8</sup>is reasonably practicable] after the end of each financial year (beginning with that in which the sum is paid out and ending with that in which all liability in respect of the principal of the sum and in respect of the interest thereon is finally discharged), lay before each House of Parliament a statement relating to that sum.
- (4) Any sums required by the Secretary of State for fulfilling a guarantee to which this section applies shall be paid out of money provided by Parliament.
- (5) Without prejudice to any provision applied in relation to the relevant company [<sup>F9</sup>by or under section 23], if any sums are paid out in fulfilment of a guarantee to which this section applies, the relevant company shall make to the Secretary of State, at such times and in such manner as the Secretary of State may from time to time direct—
  - (a) payments of such amounts as the Secretary of State may so direct in or towards repayment of the sums so paid out; and
  - (b) payments of interest, at such rate as the Secretary of State may so direct, on what is outstanding for the time being in respect of sums so paid out;and the consent of the Treasury shall be required for the giving of a direction under this subsection.
- (6) Any sums received by the Secretary of State under subsection (5) above shall be paid into the Consolidated Fund.
- (7) In subsection (5) above “the relevant company” in relation to a guarantee, means the company which borrowed the sums in respect of which the guarantee was given.

#### Textual Amendments

- F7** Words in s. 154(2) substituted (1.4.2011) by Flood and Water Management Act 2010 (c. 29), s. 49(3), **Sch. 5 para. 4(6)** (with s. 49(1)(6), Sch. 5 para. 4(9)); S.I. 2011/694, art. 3(j)
- F8** Words in s. 154(3) substituted (1.4.2011) by Flood and Water Management Act 2010 (c. 29), s. 49(3), **Sch. 5 para. 4(7)** (with s. 49(1)(6), Sch. 5 para. 4(9)); S.I. 2011/694, art. 3(j)

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**F9** Words in s. 154(5) substituted (1.4.2011) by Flood and Water Management Act 2010 (c. 29), s. 49(3), Sch. 5 para. 4(8) (with s. 49(1)(6), Sch. 5 para. 4(9)); S.I. 2011/694, art. 3(j)

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