



Water Industry Act 1991

1991 CHAPTER 56

PART V

FINANCIAL PROVISIONS

CHAPTER II

FINANCIAL ASSISTANCE FOR UNDERTAKERS

^{F1}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F1 S. 151 repealed (1.4.1996) by 1995 c. 25, s. 120(1)(3), Sch. 22 para. 116, Sch. 24 (with ss. 7(6), 115, 117, Sch. 23 para. 19); S.I. 1996/186, art. 3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 [^{F2}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Status: Point in time view as at 15/12/2014.

Changes to legislation: Water Industry Act 1991, CHAPTER II is up to date with all changes known to be in force on or before 24 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

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;
 - [^{F3}(b) offer indemnities in respect of liabilities or loss incurred or sustained in the course of functions under the order.]
- [^{F4}(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 [^{F5}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.

[^{F6}(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) [^{F7}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 [^{F8}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 [^{F9}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)

[^{F10}154A Financial assistance to reduce charges

- (1) If the Secretary of State considers it desirable to do so, the Secretary of State may give financial assistance for the purpose in subsection (2) to—
 - (a) an English undertaker, or
 - (b) a licensed water supplier that supplies water to premises in accordance with its retail authorisation using the supply system of an English undertaker.
- (2) The purpose is that of securing the reduction of charges payable by customers in an English undertaker's area for the supply of water or the provision of sewerage services.
- (3) The power in subsection (1) may be exercised in relation to all customers in an English undertaker's area or customers of a particular description.
- (4) Financial assistance under subsection (1) may be given in any form and in particular may be given by way of—
 - (a) grant,
 - (b) loan, or
 - (c) guarantee.
- (5) Financial assistance under subsection (1) may be given on such terms and conditions as the Secretary of State considers appropriate.
- (6) Financial assistance under subsection (1) may be given in any manner and in particular may be given—
 - (a) to an English undertaker by means of an arrangement made by the Secretary of State with another English undertaker, or
 - (b) to a licensed water supplier by means of an arrangement made by the Secretary of State with an English undertaker that is a water undertaker.
- (7) A reference in this section to a customer in an English undertaker's area is a reference to—
 - (a) a person liable to pay charges to the undertaker in respect of the supply of water or the provision of sewerage services, other than a licensed water supplier, or
 - (b) a person whose premises are supplied with water by a licensed water supplier in accordance with its retail authorisation using the undertaker's supply system.
- (8) In this section a reference to the retail authorisation of a licensed water supplier is to be construed in accordance with section 17A(2).
- (9) In this section “English undertaker” means a water undertaker or sewerage undertaker whose area is wholly or mainly in England.]

Textual Amendments

F10 S. 154A inserted (1.7.2012) by Water Industry (Financial Assistance) Act 2012 (c. 8), ss. 1, 3(2)

Status: Point in time view as at 15/12/2014.

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[^{F11}154B Financial assistance for major works

- (1) If the Secretary of State considers it desirable to do so, the Secretary of State may give financial assistance in connection with—
 - (a) the construction of water or sewerage infrastructure, or
 - (b) the carrying out of works in respect of existing water or sewerage infrastructure.
- (2) Financial assistance may be given under subsection (1) only if constructing the infrastructure in question or carrying out the works in question, or doing a combination of those things, involves exceptionally large or complex works.
- (3) Financial assistance may be given under subsection (1) only if the use or intended use of the infrastructure includes use by an English undertaker in carrying out a duty under section 37 or 94.
- (4) The power under subsection (1) includes power to give financial assistance or further financial assistance for the purposes described in subsection (1) after completion of the infrastructure or the works in question.
- (5) Financial assistance under subsection (1) may be given in any form and in particular may be given by way of—
 - (a) grant,
 - (b) loan,
 - (c) guarantee or indemnity,
 - (d) the provision of insurance, or
 - (e) the acquisition of shares in or securities of a body corporate.
- (6) Financial assistance under subsection (1) may be given on such terms and conditions as the Secretary of State considers appropriate.
- (7) In this section—

“English undertaker” means a water undertaker or sewerage undertaker whose area is wholly or mainly in England;

“sewerage infrastructure” means infrastructure relating to the provision of a system of sewers or the provision of means for emptying, or dealing effectually with the contents of, sewers;

“water infrastructure” means infrastructure relating to the provision of a system of water supply or the securing of supplies of water.]

Textual Amendments

F11 S. 154B inserted (1.7.2012) by [Water Industry \(Financial Assistance\) Act 2012 \(c. 8\)](#), **ss. 2, 3(2)**

Status:

Point in time view as at 15/12/2014.

Changes to legislation:

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