
EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends Schedule 2 to the Water Industry Act 1991 (c. 56) in consequence of section 23(2H) of that Act.

Section 23(2H) was inserted by the Flood and Water Management Act 2010 (c. 29). It provides that on special administration of a water company or, in some cases, a sewerage company, transfer as a going concern of the company may be effected by way of transfer of the company's undertaking to a wholly-owned subsidiary followed by transfer of securities in the subsidiary (known as "transfer by hive-down").

This Order amends Schedule 2, which makes provision about transfer schemes upon the termination of an appointment or transfer of a licence of a water or sewerage company, to include provision about transfer schemes in cases where there is a transfer by hive-down.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sectors is foreseen.