Steel Industry (Special Measures) Act 2025

CHAPTER 13

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Steel Industry (Special Measures) Act 2025

2025 CHAPTER 13

An Act to make provision about powers to secure the continued and safe use of assets of a steel undertaking. [12th April 2025]

BE IT ENACTED by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Meaning of "steel undertaking"

In this Act, "steel undertaking" means an undertaking carrying on a business that consists of or includes the manufacture of steel.

2 Directions about use of assets

(1) The Secretary of State may give a notice under this section to a steel undertaking if—

(a) it appears to the Secretary of State that specified assets used by the undertaking in England have ceased to be used, or are at risk of ceasing to be used, by the undertaking (whether on a permanent or temporary basis), and

(b) the Secretary of State considers that it is in the public interest that the use of the specified assets should resume or (as the case may be) continue.

(2) Where a notice is given to a steel undertaking under this section—

(a) the undertaking, and

(b) relevant persons in relation to the undertaking,

must comply with any directions given by the Secretary of State.

(3) Directions under this section may only be given for the purpose of securing the continued and safe use of the specified assets.

(4) The directions may (in particular) require—

(a) the specified assets to be used (or not to be used) in a specified way;

(b) the steel undertaking to take (or not to take) specified steps to secure the continued and safe use of the specified assets.

(5) The steps that may be required to be taken under subsection (4)(b) include (for example)—

(a) entering into agreements, including contracts of employment;

(b) appointing officers of the steel undertaking;

(c) exercising a function of management in a particular way;

(d) refraining from the taking of proceedings in relation to the steel undertaking under the Insolvency Act 1986 or otherwise;

(e) the making of payments to specified persons;

(f) the provision of information to the Secretary of State.

(6) A requirement to provide information as mentioned in subsection (5)(f) does not authorise or require a disclosure of information in contravention of the data protection legislation within the meaning of the Data Protection Act 2018 (but, in determining whether a disclosure would do so, the power to impose requirements by virtue of this section is to be taken into account).

(7) A notice or direction under this section—

(a) must be given in writing;

(b) may be varied or revoked by the giving of a further such notice or direction.

(8) In this Act, "relevant person", in relation to an undertaking, means—

(a) where the undertaking is a body corporate other than one whose affairs are managed by its members, a director, shadow director, manager, secretary or other similar officer of the body;

(b) where the undertaking is a limited liability partnership or other body corporate whose affairs are managed by its members, a member who exercises functions of management with respect to it;

(c) where the undertaking is a limited partnership, a general partner (within the meaning given by section 3 of the Limited Partnerships Act 1907);

(d) where the undertaking is any other partnership, a partner;

(e) where the undertaking is any other kind of body, a person who exercises functions of management with respect to it.

3 Breach of directions: power to take control of assets

(1) This section applies if the Secretary of State considers that—

(a) a steel undertaking, or a relevant person in relation to that undertaking, has failed or is failing to comply (wholly or in part) with a direction given under section 2, or

(b) there is a risk that—

(i) the undertaking or person might so fail, or

(ii) the purposes for which the direction under that section was given will be frustrated (to any extent by any person).

(2) The Secretary of State may do anything for the purpose of securing the continued and safe use of the specified assets that the steel undertaking, or any relevant person in relation to that undertaking, could do.

(3) Anything done by virtue of subsection (2) is to be treated for all purposes as done by the steel undertaking (unless otherwise specified in writing by the Secretary of State).

(4) The powers exercisable by the Secretary of State by virtue of subsection (2) include (for example)—

(a) entering, using force if necessary, the premises where the specified assets are situated (and the Secretary of State may for that purpose be accompanied by any person);

(b) preventing the disposal of, or other dealings in respect of, the specified assets;

(c) taking whatever steps the Secretary of State considers appropriate for the purposes of securing the continued and safe use of the specified assets;

(d) requiring any person on the premises, or any other person who has dealings with the specified assets or with the steel undertaking, to give whatever assistance the Secretary of State may reasonably require for the purposes of taking those steps.

(5) The steps that may be taken under subsection (4)(c) include (for example)—

(a) entering into agreements, including contracts of employment;

(b) appointing officers of the steel undertaking;

(c) exercising any function of management;

(d) the making of loans or the giving of other financial assistance;

(e) the payment of salaries and other benefits to persons working for the steel undertaking.

(6) Expenses incurred by the Secretary of State in, or in connection with, the exercise of powers under this section are recoverable as a debt due to the Crown from—

(a) the steel undertaking, or

(b) a group undertaking in relation to the steel undertaking.

4 Offences

(1) A steel undertaking, or a relevant person in relation to such an undertaking, commits an offence if, without reasonable excuse, they fail to comply with a direction under section 2.

(2) A group undertaking in relation to the steel undertaking commits an offence if it does (or fails to do) anything with the intention of preventing or hindering the steel undertaking, or a relevant person in relation to that undertaking, from complying with a direction under section 2.

(3) A person commits an offence if, without reasonable excuse, they fail to comply with a requirement imposed on them under section 3(4)(d).

(4) Where an offence under this section is committed by an undertaking with the consent or connivance of a relevant person in relation to the undertaking, or a person purporting to act in the capacity of a relevant person in relation to the undertaking, the person (as well as the undertaking) commits the offence and is liable to be proceeded against and punished accordingly.

(5) A person guilty of an offence under this section is liable—

(a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);

(b) on summary conviction, to imprisonment for a term not exceeding the general limit in a magistrates' court or a fine (or both).

5 Injunctions

(1) This section applies where the Secretary of State considers that—

(a) a steel undertaking, or a relevant person in relation to that undertaking, has committed, or might commit, an offence under section 4, or

(b) a group undertaking in relation to the steel undertaking has committed, or might commit, an offence under that section.

(2) The Secretary of State may apply to the High Court for an injunction (and in those proceedings may apply for an interim injunction) against—

(a) the undertaking concerned, or

(b) a relevant person in relation to that undertaking.

(3) On an application under this section the High Court may grant an injunction (or interim injunction) on such terms as it thinks fit to secure the continued and safe operation of the specified assets.

6 Indemnities

(1) No relevant act by a person is to be regarded as giving rise to any cause of action, or is to be taken into account in respect of any cause of action, against the person.

(2) The Secretary of State may pay compensation to any person in respect of any loss incurred by them as a result of—

(a) a relevant act (whether by them or any other person), or

(b) a step taken by the Secretary of State under section 3(4)(c).

(3) In this section "relevant act" means anything done, or not done, in compliance with—

(a) a direction under section 2, or

(b) a requirement under section 3(4)(d).

7 Compensation scheme

(1) The Secretary of State may by regulations make provision for paying compensation to a steel undertaking to which a notice has been given under section 2 as a result of the exercise of the Secretary of State's functions under this Act.

(2) Regulations under this section are to be made by statutory instrument.

(3) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of either House of Parliament.

8 Financial provision

There is to be paid out of money provided by Parliament—

(a) any expenses incurred by the Secretary of State under or by virtue of this Act, and

(b) any increase attributable to this Act in the sums payable under any other Act out of money so provided.

9 Interpretation

In this Act—

"group undertaking" has the meaning given by section 1161(5) of the Companies Act 2006;

"relevant person", in relation to an undertaking, has the meaning given by section 2(8);

"shadow director" has the meaning given by section 251 of the Companies Act 2006;

"specified assets", in relation to a notice given under section 2, means the assets specified in that notice;

"steel undertaking" has the meaning given by section 1;

"undertaking" has the meaning given by section 1161(1) of the Companies Act 2006.

10 Extent, commencement and short title

(1) This Act extends to England and Wales only.

(2) This Act comes into force on the day on which it is passed.

(3) This Act may be cited as the Steel Industry (Special Measures) Act 2025.

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