



Water Industry Act 1991

1991 CHAPTER 56

PART II

APPOINTMENT AND REGULATION OF UNDERTAKERS

CHAPTER II

ENFORCEMENT OF INSOLVENCY

Special administration orders

24 Special administration orders made on special petitions.

- (1) If, on an application made to the High Court by petition presented—
- (a) by the Secretary of State; or
 - (b) with the consent of the Secretary of State, by the Director,
- that Court is satisfied in relation to any company which holds an appointment under Chapter I of this Part that any one or more of the grounds specified in subsection (2) below is satisfied in relation to that company, that Court may make a special administration order in relation to that company.

- [^{F1}(1A) If on an application made to the High Court by petition presented—
- (a) by the Secretary of State [^{F2}(after consulting the Assembly)]; or
 - (b) with the consent of the Secretary of State [^{F3}(after consulting the Assembly)], the Authority,

the Court is satisfied in relation to any company which is a [^{F4}qualifying water supply licensee or qualifying sewerage licensee] that any one or more of the grounds specified in subsection (2) below is satisfied in relation to that company, that Court may make a special administration order in relation to that company.]

Changes to legislation: Water Industry Act 1991, Section 24 is up to date with all changes known to be in force on or before 21 April 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) View outstanding changes

[^{F5}(1B) Before presenting a petition under subsection (1A) in relation to a qualifying water supply licensee whose licence gives it a supplementary authorisation, the Secretary of State or the Authority (as the case may be) must consult the Welsh Ministers.]

(2) The grounds mentioned in [^{F6}subsections (1) and (1A)] above are, in relation to any company—

(a) that there has been, is or is likely to be such a contravention by the company of any principal duty, not being a contravention in respect of which a notice has been served under subsection (3) of section 19 above, as is serious enough to make it inappropriate for the company to continue to hold its appointment [^{F7}or licence];

(b) that there has been, is or is likely to be such a contravention by the company of the provisions of any enforcement order which—
(i) is not for the time being the subject-matter of proceedings brought by virtue of section 21(1) above; and
(ii) if it is a provisional enforcement order, has been confirmed,
as is serious enough to make it inappropriate for the company to continue to hold its appointment [^{F7}or licence];

[^{F8}(bb) in the case of a company which is a [^{F9}qualifying water supply licensee], that—

(i) action taken by the company has caused a contravention by a water undertaker of any principal duty; and
(ii) that action is serious enough to make it inappropriate for the company to continue to hold its licence;]

[^{F10}(bc) in the case of a company which is a qualifying sewerage licensee, that—

(i) action taken by the company has caused a contravention by a sewerage undertaker of any principal duty; and
(ii) that action is serious enough to make it inappropriate for the company to continue to hold its licence;]

(c) that the company is or is likely to be unable to pay its debts;

(d) that, in a case in which the Secretary of State has certified that it would be appropriate, but for section 25 below, for him to petition for the winding up of the company under [^{F11}section 124A of the Insolvency Act 1986] (petition by the Secretary of State following inspectors’ report etc.), it would be just and equitable, as mentioned in that section, for the company to be wound up if it did not hold an appointment under Chapter I of this Part or was not a [^{F12}qualifying water supply licensee or a qualifying sewerage licensee]; or

(e) [^{F13}in the case of a company holding an appointment under Chapter 1 of this Part,] that the company is unable or unwilling adequately to participate in arrangements certified by the Secretary of State or the Director to be necessary by reason of, or in connection with, a proposal for the making by virtue of section 7(4)(c) above of any appointment or variation replacing a company as a relevant undertaker.

(3) Notice of any petition under this section for a special administration order shall be given forthwith to such persons and in such manner as may be prescribed by rules made under section 411 of the ^{M1}Insolvency Act 1986 (“the 1986 Act”); and no such petition shall be withdrawn except with the leave of the High Court.

^{F14}(4)

^{F14}(5)

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- (6) For the purposes of this section a company is unable to pay its debts if—
- (a) it is a limited company which is deemed to be so unable under section 123 of the 1986 Act (definition of inability to pay debts); or
 - (b) it is an unregistered company which is deemed, by virtue of any of sections 222 to 224 of that Act, to be so unable for the purposes of section 221 of that Act (winding up of unregistered companies).

[^{F15}(7) In this section “principal duty” means—

- (a) in relation to a company holding an appointment under Chapter 1 of this Part, a requirement imposed on the company by section 37 or 94 below;
- (b) in relation to a company which is a [^{F16}qualifying water supply licensee or a qualifying sewerage licensee], any condition of its licence or any statutory requirement imposed on it in consequence of its licence.]

Textual Amendments

- F1** S. 24(1A) inserted (1.12.2005) by Water Act 2003 (c. 37), ss. 101(1), 105(3), **Sch. 8 para. 9(2)**; S.I. 2005/2714, **art. 3(c)** (with Sch. para. 8)
- F2** Words in s. 24(1A)(a) repealed (1.4.2017 except as it relates to qualifying sewerage licensees) by Water Act 2014 (c. 21), s. 94(3), **Sch. 7 para. 36(2)(a)**; S.I. 2017/462, **art. 3(k)(vi)**
- F3** Words in s. 24(1A)(b) repealed (1.4.2017 except as it relates to qualifying sewerage licensees) by Water Act 2014 (c. 21), s. 94(3), **Sch. 7 para. 36(2)(a)**; S.I. 2017/462, **art. 3(k)(vi)**
- F4** Words in s. 24(1A) substituted (1.4.2017 except as it relates to qualifying sewerage licensees) by Water Act 2014 (c. 21), s. 94(3), **Sch. 7 para. 36(2)(c)**; S.I. 2017/462, **art. 3(k)(vi)**
- F5** S. 24(1B) inserted (1.4.2017 except as it relates to qualifying sewerage licensees) by Water Act 2014 (c. 21), s. 94(3), **Sch. 7 para. 36(3)**; S.I. 2017/462, **art. 3(k)(vi)**
- F6** Words in s. 24(2) substituted (1.12.2005) by Water Act 2003 (c. 37), ss. 101(1), 105(3), **Sch. 8 para. 9(3)(a)**; S.I. 2005/2714, **art. 3(c)** (with Sch. para. 8)
- F7** Words in s. 24(2)(a)(b) inserted (1.12.2005) by Water Act 2003 (c. 37), ss. 101(1), 105(3), **Sch. 8 para. 9(3)(b)**; S.I. 2005/2714, **art. 3(c)** (with Sch. para. 8)
- F8** S. 24(2)(bb) inserted (1.12.2005) by Water Act 2003 (c. 37), ss. 101(1), 105(3), **Sch. 8 para. 9(3)(c)**; S.I. 2005/2714, **art. 3(c)** (with Sch. para. 8)
- F9** Words in s. 24(2)(bb) substituted (1.4.2017 except as it relates to qualifying sewerage licensees) by Water Act 2014 (c. 21), s. 94(3), **Sch. 7 para. 36(4)(a)**; S.I. 2017/462, **art. 3(k)(vi)**
- F10** S. 24(2)(bc) inserted (1.4.2017 except as it relates to qualifying sewerage licensees) by Water Act 2014 (c. 21), s. 94(3), **Sch. 7 para. 36(4)(b)**; S.I. 2017/462, **art. 3(k)(vi)**
- F11** Words in s. 24(2)(d) substituted (1.10.2010 for specified purposes, 15.3.2024 in so far as not already in force) by Flood and Water Management Act 2010 (c. 29), s. 49(3), **Sch. 5 para. 6(4)** (with s. 49(1)(6)); S.I. 2010/2169, **art. 4**; S.I. 2024/363, **art. 2(b)**
- F12** Words in s. 24(2)(d) substituted (1.4.2017 except as it relates to qualifying sewerage licensees) by Water Act 2014 (c. 21), s. 94(3), **Sch. 7 para. 36(4)(c)**; S.I. 2017/462, **art. 3(k)(vi)**
- F13** Words in s. 24(2)(e) inserted (1.12.2005) by Water Act 2003 (c. 37), ss. 101(1), 105(3), **Sch. 8 para. 9(3)(e)**; S.I. 2005/2714, **art. 3(c)** (with Sch. para. 8)
- F14** S. 24(4)(5) ceases to have effect (1.10.2010 for specified purposes, 15.3.2024 in so far as not already in force) by virtue of Flood and Water Management Act 2010 (c. 29), s. 49(3), **Sch. 5 para. 6(2)** (with s. 49(1)(6)); S.I. 2010/2169, **art. 4**; S.I. 2024/363, **art. 2(b)**
- F15** S. 24(7) substituted (1.12.2005) by Water Act 2003 (c. 37), ss. 101(1), 105(3), **Sch. 8 para. 9(4)**; S.I. 2005/2714, **art. 3(c)** (with Sch. para. 8)
- F16** Words in s. 24(7)(b) substituted (1.4.2017 except as it relates to qualifying sewerage licensees) by Water Act 2014 (c. 21), s. 94(3), **Sch. 7 para. 36(5)**; S.I. 2017/462, **art. 3(k)(vi)**

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Modifications etc. (not altering text)

- C1** S. 24 applied (with modifications) (28.6.2013) by [The Water Industry \(Specified Infrastructure Projects\) \(English Undertakers\) Regulations 2013 \(S.I. 2013/1582\)](#), reg. 1(1)(b), **Sch. 1 para. 7(3)** (with reg. 1(1)(c))
- C2** S. 24(1) excluded (5.9.2017) by [The London Overground \(Barking Riverside Extension\) Order 2017 \(S.I. 2017/830\)](#), arts. 1, **15(1)** (with Sch. 8 para. 20)

Marginal Citations

- M1** 1986 c. 45.

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Changes and effects yet to be applied to :

- s. 24(1A)(b) word inserted by [2014 c. 21 Sch. 7 pra. 36\(2\)\(b\)](#)
- s. 24(1B) words repealed by [2014 c. 21 Sch. 5 para. 24](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Pt. 3 Ch. 2B inserted by [2014 c. 21 s. 12](#)
- s. 17(2)(aa) inserted by S.I. 2019/93, Sch. 1 para. 4(4)(b) (as substituted) by [S.I. 2019/1245 reg. 21](#) (This amendment not applied to legislation.gov.uk. The affecting statutory instrument has no legal effect. It was made under a procedure which meant that it ceased to have effect 28 days after signing unless it was debated and approved in Parliament within that time. It was not debated and approved within 28 days, so it has expired with no effect.)
- s. 17A(c) repealed by [2014 c. 21 Sch. 5 para. 4\(2\)\(c\)](#)
- s. 17A(d) repealed by [2014 c. 21 Sch. 5 para. 4\(2\)\(c\)](#)
- s. 17A(2)(ba) and word inserted by [2014 c. 21 Sch. 5 para. 4\(2\)\(b\)](#)
- s. 17R(2)(aa) inserted by S.I. 2019/93, Sch. 1 para. 4(7)(b) (as substituted) by [S.I. 2019/1245 reg. 21](#) (This amendment not applied to legislation.gov.uk. The affecting statutory instrument has no legal effect. It was made under a procedure which meant that it ceased to have effect 28 days after signing unless it was debated and approved in Parliament within that time. It was not debated and approved within 28 days, so it has expired with no effect.)
- s. 17AA(1)(ba)(bb) inserted by [2014 c. 21 Sch. 5 para. 5\(2\)](#)
- s. 17BA(5A) inserted by [2014 c. 21 Sch. 5 para. 7\(3\)](#)
- s. 17HA(9)(b)(ia) inserted by [2014 c. 21 Sch. 5 para. 16\(2\)](#)
- s. 23(2AA) inserted by [2014 c. 21 Sch. 7 para. 35\(4\)](#)
- s. 23(8)(9) inserted by [2014 c. 21 Sch. 7 para. 35\(10\)](#)
- s. 39E-39H inserted by [2021 c. 30 s. 78\(7\)](#)
- s. 87(7C)-(7F) inserted by [2012 c. 7 s. 35\(6\)](#)
- s. 94A-94E inserted by [2021 c. 30 s. 79](#)
- s. 95ZA(6) inserted by [2014 c. 21 Sch. 5 para. 39\(4\)](#)
- s. 96ZA(2)-(5) substituted for s. 96ZA(2) by [2014 c. 21 Sch. 5 para. 40](#)
- s. 106B(3A) inserted by [2014 c. 21 Sch. 7 para. 94](#)
- s. 117G(2)(aa) inserted by [2014 c. 21 Sch. 5 para. 41\(2\)](#)
- s. 117G(4)-(4D) substituted for s. 117(4) by [2014 c. 21 Sch. 5 para. 41\(3\)](#)
- s. 117G(6)(aa) inserted by [2014 c. 21 Sch. 5 para. 41\(4\)](#)
- s. 117K(2)(aa) inserted by [2014 c. 21 Sch. 5 para. 42\(2\)](#)
- s. 117K(5)(5A) substituted for s. 117(5) by [2014 c. 21 Sch. 5 para. 42\(3\)](#)
- s. 117L(9) inserted by [2014 c. 21 Sch. 5 para. 43\(3\)](#)
- s. 117N(4)(aa) inserted by [2014 c. 21 Sch. 5 para. 45\(2\)](#)
- s. 117N(8)(aa) inserted by [2014 c. 21 Sch. 5 para. 45\(3\)](#)
- s. 117N(11)(aa) inserted by [2014 c. 21 Sch. 5 para. 45\(4\)](#)
- s. 117O(4)(aa) inserted by [2014 c. 21 Sch. 5 para. 46\(2\)](#)
- s. 117O(8)(aa) inserted by [2014 c. 21 Sch. 5 para. 46\(3\)](#)
- s. 117S(7)-(9) inserted by [2014 c. 21 Sch. 5 para. 49](#)
- s. 119(2)(ab) inserted by [2003 c. 37 s. 89\(1\)\(a\)](#)
- s. 119(3) inserted by [2003 c. 37 s. 89\(1\)\(b\)](#)
- s. 121(1)(ba) inserted by [2003 c. 37 s. 89\(2\)\(a\)](#)

- s. 141DA inserted by 2021 c. 30 s. 81
- s. 141DC inserted by 2021 c. 30 s. 83
- s. 177K(7)(aa) inserted by 2014 c. 21 Sch. 5 para. 42(4)
- s. 207D and cross-heading inserted by 2014 c. 21 s. 39
- s. 207D(5) word repealed by 2014 c. 21 Sch. 5 para. 52(a)
- s. 207D(5) words inserted by 2014 c. 21 Sch. 5 para. 52(b)
- s. 213(1ZA) inserted by 2014 c. 21 Sch. 7 para. 119(3)
- s. 213(1ZA) repealed by 2014 c. 21 Sch. 5 para. 53