



EXPLANATORY NOTES

Steel Industry (Special Measures) Act 2025

Chapter 13

£8.14

STEEL INDUSTRY (SPECIAL MEASURES) ACT 2025

EXPLANATORY NOTES

What these notes do

These Explanatory Notes relate to the Steel Industry (Special Measures) Act 2025 which received Royal Assent on 12 April 2025 (c. 13).

- These Explanatory Notes have been prepared by the Department for Business and Trade in order to assist the reader in understanding the Act. They do not form part of the Act and have not been endorsed by Parliament.
- These Explanatory Notes explain what each part of the Act will mean in practice; provide background information on the development of policy; and provide additional information on how the Act will affect existing legislation in this area.
- These Explanatory Notes might best be read alongside the Act. They are not, and are not intended to be, a comprehensive description of the Act.

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Overview of the Act

- 1 The Act introduces a set of new powers for the Secretary of State to make interventions in relation to steel undertakings in England whose assets are, or are at risk of, ceasing to be used, whether on a permanent or temporary basis. It provides for the circumstances in which, and purposes for which, the powers may be exercised. The Act also creates criminal offences for non-compliance with directions made under the Act by the Secretary of State. It also includes a mechanism for the Secretary of State to seek a High Court injunction to secure the continued and safe operation of specified assets.

Policy background

- 2 The Government is committed to continuing the support of steel production in the UK. This involves preserving current production capacity to ensure resilience in the production of steel. This Act enables the Secretary of State to protect steel assets including blast furnaces to continue producing steel. In addition, it seeks to ensure that economic, environmental and safety-related policies that are engaged in steel manufacturing are complied with.

Legal background

- 3 This Act creates new powers for the Secretary of State to make interventions in relation to steel undertakings in England whose assets are at risk of ceasing to be used, whether on a permanent or temporary basis.

Territorial extent and application

- 4 The Act extends to England and Wales and applies to undertakings in England.

Commentary on provisions of Act

Section 1 and Section 2: Meaning of ‘steel undertaking’ and Directions about use of assets

- 5 Section 1 defines ‘steel undertaking’ as an undertaking in England that manufactures steel.
- 6 Section 2(1) gives the Secretary of State the power to give a notice to a steel undertaking if it appears to the Secretary of State that the assets have ceased to be used, are at risk of ceasing to be used, or it is in the public interest that their use should resume or continue. Where the Secretary of State has given a notice under Section 2(1), the Secretary of State may give directions requiring the steel undertaking and relevant persons associated with it to use specified assets in a specified way or to take (or avoid taking) specified steps to ensure the continued and safe use of the specified assets. This includes the power to direct the undertaking to enter into agreements, make payments, refrain from taking insolvency proceedings and sharing information with the Secretary of State.
- 7 A notice or direction by the Secretary of State must be in writing and may be varied or revoked by a subsequent notice or direction. The undertaking and relevant persons associated with it must comply with any directions given by the Secretary of State.

- 8 The power to issue directions under section 2(3) is a broad one and includes powers to require the steel undertaking to take (or not to take) specified steps. Section 2(5) gives examples of the steps that a steel undertaking could be required to take (or not to take). Other steps that a steel undertaking might be required to take (or not to take) include, for example, rescinding, varying, entering or not entering into contracts of any description, including contracts of sale, supply or carriage.

Section 3: Breach of directions: power to take control of assets

- 9 Section 3 gives the Secretary of State the power to take control of assets if they consider that a steel undertaking or a relevant person associated with it has failed or is failing to comply with a direction, or there is a risk the undertaking or the relevant person might fail to comply or frustrate the purpose for which the direction was given.
- 10 Upon taking control of the steel undertaking, the Secretary of State may do anything the steel undertaking, or any relevant person, could do to secure the continued and safe use of the specified assets. This includes entry into the premises, preventing disposal of or dealing with assets, exercising managerial functions and entering into contracts. Anything done by the Secretary of State in this regard is deemed as done by the steel undertaking unless stated otherwise by the Secretary of State in writing. Expenses incurred by the Secretary of State in connection with, the exercise of powers under this section are recoverable as a debt due to the Crown from the steel undertaking or the group undertaking in relation to the steel undertaking.

Section 4: Offences

- 11 The steel undertaking and relevant associated persons commits an offence if they fail to comply with a direction from the Secretary of State without a without reasonable excuse. A group undertaking also commits an offence if it does (or fails to do) something with the intention of preventing or hindering the steel undertaking or a relevant person from complying with the Secretary of State's direction. A person found guilty of the offence is liable, on conviction, to be imprisoned for up to 2 years or a fine or both.

Section 5: Injunctions

- 12 Section 5 gives the Secretary of State power to apply to the High Court for an injunction if they consider that a steel undertaking, a relevant person or a group undertaking in relation to the steel undertaking has committed or might commit an offence under Section 4. 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.

Section 6: Indemnities

- 13 Section 6 provides an exemption from liability for a person for anything done (or not done) in in compliance with a direction from the Secretary of State or as a result of a step taken by the Secretary of State to secure the continued and safe use of the specified assets. The Secretary of State may pay compensation to any person in respect of any loss incurred by them as a result of actions taken to comply with directions.

Section 7: Compensation scheme

- 14 Section 7 confers a power on the Secretary of State to make regulations providing 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 the Act.

Section 8: Financial provision

- 15 Section 8 provides that any expenses incurred by the Secretary of State under or by virtue of this Act or any increase under any other Act attributable to this Act is to be paid out of money provided by Parliament.

Section 9 and 10: Interpretation, Extent, commencement and short title

- 16 Section 9 sets out the key definitions used in the Act.
- 17 Section 10 provides that the Act extends to England and Wales only. The Act came into force on the day on which it was passed.

Commencement

- 18 The provisions in the Act came into force on the day the Act was passed.

Annex A - Hansard References

- 19 The following table sets out the dates and Hansard references for each stage of the Act's passage through Parliament.

Stage	Date	Hansard Reference
<i>House of Commons</i>		
Introduction	12 April 2025	House of Commons Vol. 765 Col. 835
Second Reading	12 April 2025	House of Commons Vol. 765 Col. 839
Committee of the whole House	12 April 2025	House of Commons Vol. 765 Col. 887
Report and Third Reading	12 April 2025	House of Commons Vol. 765 Col. 888
<i>House of Lords</i>		
Introduction	12 April 2025	House of Lords Vol. 845 Col. 528
Second Reading	12 April 2025	House of Lords Vol. 845 Col. 529
Committee of the whole House	12 April 2025	House of Lords Vol. 845 Col. 529
Report	12 April 2025	House of Lords Vol. 845 Col. 536
Third Reading	12 April 2025	House of Lords Vol. 845 Col. 536
Royal Assent	12 April 2025	House of Commons Vol. 765 Col. 888
		House of Lords Vol. Vol. 845 Col. 538

- 20 In order to provide time for debate in the Lords whilst the Act was being considered in the Commons, a general take-note debate was held ahead of the formal Lords Second Reading. A record of this debate can be found at [House of Lords Vol. 845 Col. 490](#)

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