

MEMORANDUM

STEEL INDUSTRY (NATIONALISATION) BILL

Background

1. This memorandum has been laid before the Assembly by the Minister for the Economy under Standing Order 42A(4)(b). The memorandum explains why a legislative consent motion is not being sought in respect of the Steel Industry (Nationalisation) Bill (“the Bill”).

Summary of the Bill and its policy objectives

2. The Bill was introduced at Westminster on 14 May 2026 and forms part of a wider programme of British Government interventions in the steel sector, following recent policy measures including tariff changes and the publication of a UK Steel Strategy. The latest version of the Bill can be found at: <https://bills.parliament.uk/publications/66603/documents/8356>
3. The purpose of the Bill is to provide the British Government with powers to bring steel undertakings into public ownership where it is in the public interest.
4. The Bill does not directly nationalise any company. Instead, it establishes a legislative framework enabling the British Government to intervene in the steel sector, including provisions for:
 - Transfer of ownership of steel undertakings into public control;
 - Financial assistance to steel companies;
 - Management and governance arrangements for nationalised entities; and
 - Ancillary powers to support restructuring or stabilisation of the sector.

Provisions which deal with a Devolution Matter

5. Legal advice indicates that provisions within the Bill engage devolved competence. In particular, the Bill enables intervention in industrial activity

and economic development matters which fall within the legislative competence of the Assembly.

6. While steel production itself is not present in the north, the wider economic impacts of nationalisation—particularly in relation to supply chains, manufacturing, and construction—interact with devolved responsibilities.

Reasons for making the Provisions

7. The provisions are intended to allow the British Government to respond rapidly to challenges within the steel sector, including market instability, international competition, and strategic industrial considerations. It has stated that it is strongly minded to nationalise British Steel.
8. The Bill forms part of a broader policy approach aimed at protecting domestic steel production capacity and supporting upstream industry stability.

Reasons for utilising the Bill rather than an Act of the Assembly

9. Steel production and nationalisation are matters that operate at a ‘UK’-wide level, with significant financial, economic, and industrial policy implications.
10. A ‘UK’-wide legislative approach enables consistent intervention across jurisdictions and reflects the scale and strategic nature of the sector, which is largely concentrated in Britain

Reasons for not seeking consent of the Assembly

11. The British Government did not engage with my department in advance of the introduction of the bill, contrary to the principles of early and meaningful engagement established in Devolution Guidance. Subsequent delays in sharing the devolution analysis have further constrained the timeframe available to consider and pursue legislative consent in a meaningful way, in the context of an expedited Parliamentary process.
12. While DBT has advised that engagement was limited due to commercial and market sensitivities and the need for rapid policy development, this has nonetheless restricted the ability of the Assembly to give full and informed consideration to the bill.

13. The British Government has characterised the Bill as an enabling, last-resort measure, with execution of powers to be implemented through secondary legislation. It has also indicated to me that it is not willing to consider material amendments that could delay the Bill's passage. This limits both the immediate practical effect of the provisions and reduces the scope for meaningful scrutiny at this stage.

Consultation

14. The British Government did not conduct a public consultation in developing the bill, citing its emergency nature and the urgent need to safeguard domestic steelmaking capacity.

15. While there is no steel production in the north, downstream industries, particularly manufacturing and construction, have expressed concerns regarding the potential impacts of nationalisation and wider steel policy. They have cited supply and affordability as key concerns, recognising that these aspects would be contingent upon the British Government nationalising a steel undertaking and the operation decisions it would then make in that regard as owner.

Human Rights and Equality

16. The Bill is not expected to give rise to significant human rights or equality issues. Any interventions would be subject to existing legal safeguards and oversight mechanisms.

Financial Implications

17. The Bill enables the provision of financial assistance to steel undertakings, which may have significant implications for the British Government's fiscal position.

18. While there are no direct financial costs to the north arising from the Bill itself, there may be indirect economic / financial impacts on businesses reliant on steel inputs, depending on the operational decisions the British Government would make as the owner of a steel undertaking. It is not possible to assess or quantify these in the abstract.

Summary of Regulatory Impact

19. The regulatory impact is expected to fall primarily on steel producers, rather than downstream industries.

Engagement to date with the Committee for the Economy

20. At the same time as laying this Memorandum, I have written to the Economy Committee to advise that a legislative consent motion is not being sought and the reasons why. Officials will be able to provide further briefing on the issue if requested.

Conclusion

21. The Minister is not seeking legislative consent on the Steel Industry (Nationalisation) Bill.

Department for the Economy

DATE 26 June 2026