



# Water Services etc. (Scotland) Act 2005

## 2005 asp 3

### PART 2

#### PROVISION OF WATER AND SEWERAGE SERVICES

##### *Scottish Water: water and sewerage services undertaking*

#### **14 Financing, borrowing and guarantees**

- (1) In such circumstances as the Scottish Ministers may by order specify, the Scottish Ministers may, with the consent of Scottish Water, make grants to the business undertaking established under section 13(1) of such amounts as the Scottish Ministers may determine.
- (2) In such circumstances as the Scottish Ministers may by order specify, the undertaking—
  - (a) may, with the consent of Scottish Water, borrow from the Scottish Ministers (and they may lend to it) sums of such amounts as the Scottish Ministers may determine;
  - (b) may not, except as described in subsection (4)(b), borrow money from any other person apart from Scottish Water.
- (3) In any financial year, the net amount of sums borrowed under subsection (2)(a) must not exceed the amount specified for that year for the purposes of this subsection in a Budget Act.
- (4) In subsection (3), “net amount” means the amount of sums borrowed in the financial year less—
  - (a) any repayments made during that year, otherwise than by way of interest, in respect of sums borrowed in that or any other year; and
  - (b) any sums borrowed, with the consent of Scottish Water, by way of overdraft or otherwise for the purpose of meeting a temporary excess of expenditure over sums otherwise available to meet that expenditure.
- (5) Any loans made under subsection (2)(a) are to be repaid to the Scottish Ministers at such times and by such methods, and interest on the loans is to be paid to them at such times and at such rates, as they may from time to time specify.

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*Status: This is the original version (as it was originally enacted).*

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- (6) In such circumstances as the Scottish Ministers may by order specify, the Scottish Ministers may guarantee, in such manner as they consider appropriate, the discharge of any financial obligation in connection with any sums borrowed as described in subsection (4)(b).
- (7) Immediately after a guarantee is given under subsection (6), the Scottish Ministers must lay a statement of the guarantee before the Parliament.
- (8) Where any sums are paid out in fulfilment of a guarantee under subsection (6), the undertaking must make to the Scottish Ministers, at such times and in such manner as they may from time to time specify—
  - (a) payments of such amounts as they may so specify in or towards repayment of those sums; and
  - (b) payments of interest, at such rate as they may so specify, on the amount outstanding for the time being in respect of those sums.
- (9) In such circumstances as the Scottish Ministers may by order specify, the Scottish Ministers may, with the consent of Scottish Water, subscribe for share or loan capital of the undertaking.
- (10) Any—
  - (a) grants under subsection (1) may be made;
  - (b) loans under subsection (2)(a) may be made;
  - (c) guarantees under subsection (6) may be given; and
  - (d) subscriptions for share or loan capital under subsection (9) may be made, subject to such conditions as the Scottish Ministers consider it appropriate to impose.