



Water Resources (Scotland) Act 2013

2013 asp 5

PART 3

SCOTTISH WATER'S FUNCTIONS

Financing and borrowing

27 Subsidiaries of Scottish Water

(1) After section 42 of the 2002 Act there is inserted—

“42A Financing and borrowing: subsidiaries

- (1) The Scottish Ministers may pay to a subsidiary of Scottish Water grants of such amounts as they may determine.
- (2) A subsidiary of Scottish Water may borrow—
 - (a) from the Scottish Ministers (and they may lend to it) sums of such amounts as they may determine,
 - (b) money from any other person, whether—
 - (i) in sterling or otherwise,
 - (ii) the person is in the United Kingdom or elsewhere.
- (3) A grant or loan in pursuance of subsection (1) or (as the case may be) (2)(a) may be made subject to such conditions as the Scottish Ministers think fit.
- (4) A loan made in pursuance of subsection (2)(a) is to be repaid to the Scottish Ministers at such times and by such methods (and interest on the loan is to be paid to them at such times and at such rates) as they may from time to time direct.
- (5) Borrowing may be made in pursuance of subsection (2) only with the consent of Scottish Water (except where it is the lender).
- (6) This section does not apply where the subsidiary is an undertaking established under section 13(1) of the Water Services etc. (Scotland) Act 2005.

- (7) In this section and section 42B(1), “subsidiary” is as defined in section 1159 of the Companies Act 2006.

42B Borrowing: Budget Acts

- (1) In any financial year, the net amount of sums borrowed by Scottish Water and any subsidiary of Scottish Water in pursuance of sections 42 and 42A (taken together) must not exceed the amount specified for that year for the purposes of this section in a Budget Act.
- (2) In subsection (1), “net amount” means 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 the Scottish Ministers, by way of overdraft or otherwise for the purpose of meeting a temporary excess of expenditure over sums otherwise available to meet that expenditure.”.
- (2) In section 42 (financing and borrowing) of the 2002 Act, subsections (4) and (5) are repealed.
- (3) The title of section 42 of the 2002 Act becomes “Financing and borrowing: Scottish Water”.