



# Local Government etc. (Scotland) Act 1994

## 1994 CHAPTER 39

### PART II

#### WATER AND SEWERAGE REORGANISATION

##### *Finances of new authorities*

#### **85 Guarantees**

- (1) The Secretary of State may, with the consent of the Treasury, guarantee, in such manner and on such conditions as he thinks fit, the repayment of the principal of, the payment of interest on, and the discharge of any other financial obligation in connection with, any sums which a new water and sewerage authority borrow from a person other than the Secretary of State.
- (2) Immediately after a guarantee is given under this section, the Secretary of State shall lay a statement of the guarantee before each House of Parliament; and where any sum is issued for fulfilling a guarantee so given, he shall lay before each House of Parliament a statement relating to that sum, as soon as possible after the end of each financial year, beginning with that in which the sum is issued and ending with that in which all liability in respect of the principal of the sum and in respect of interest on it is finally discharged.
- (3) Any sums required by the Secretary of State for fulfilling a guarantee under this section shall be charged on and issued out of the Consolidated Fund.
- (4) If any sums are issued by the Secretary of State in fulfilment of a guarantee given by him under this section the authority in question shall make to him, at such times and in such manner as, with the consent of the Treasury, he may from time to time direct, payments of such amounts as, with such consent, he may so direct in or towards repayment of the sums so issued and payments of interest, at such rate as, with such

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*Status: This is the original version (as it was originally enacted).*

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consent, he may so direct, on the amount outstanding for the time being in respect of sums so issued.