



Wales Act 2014

2014 CHAPTER 29

PART 2

FINANCE

Borrowing

20 Borrowing by the Welsh Ministers

- (1) GOWA 2006 is amended as follows.
- (2) Section 121 (borrowing by Welsh Ministers) is amended in accordance with subsections (3) to (5).
- (3) For subsection (1) substitute—
 - “(1) The Welsh Ministers may borrow from the Secretary of State—
 - (a) any amounts it appears to them are required by them for the purpose of meeting a temporary excess of sums paid out of the Welsh Consolidated Fund over sums paid into that Fund,
 - (b) any amounts it appears to them are required by them for the purpose of providing a working balance in the Welsh Consolidated Fund, and
 - (c) any amounts which in accordance with rules determined by the Treasury are required by the Welsh Ministers to meet current expenditure because of a shortfall in receipts from devolved taxes, or from income tax charged by virtue of a Welsh rate resolution, against forecast receipts.
 - (1A) The Welsh Ministers may, with the approval of the Treasury, borrow by way of loan any amounts it appears to them are required by them for the purpose of meeting capital expenditure.
 - (1B) An amount is required for the purpose of meeting capital expenditure if the expenditure would be capital expenditure for the purposes of accounts under section 131.”

Status: This is the original version (as it was originally enacted).

- (4) In subsection (2), after “section” insert “from the Secretary of State”.
- (5) After subsection (3) insert—
- “(4) The Secretary of State may by order made with the consent of the Treasury amend subsection (1A) so as to vary the means by which the Welsh Ministers may borrow money.
- (5) No order is to be made under subsection (4) unless a draft of the statutory instrument containing it has been laid before, and approved by a resolution of, the House of Commons.”
- (6) Section 122 (lending by Secretary of State) is amended in accordance with subsections (7) to (9).
- (7) In subsection (2), for “that section” substitute “section 121(1)”.
- (8) In subsection (3), omit “greater”.
- (9) After subsection (3) insert—
- “(3A) An amount substituted under subsection (3) may be more or less than the amount for which it is substituted but may not be less than £500 million.”
- (10) After section 122 insert—

“122A Lending for capital expenditure

- (1) The aggregate at any time outstanding in respect of the principal of amounts borrowed under section 121(1A) shall not exceed £500 million.
- (2) The Secretary of State may by order made with the consent of the Treasury substitute for the amount for the time being specified in subsection (1) such amount as may be specified in the order.
- (3) An amount substituted under subsection (2) may be more or less than the amount for which it is substituted but may not be less than £500 million.
- (4) No order is to be made under subsection (2) unless a draft of the statutory instrument containing it has been laid before, and approved by a resolution of, the House of Commons.
- (5) A person lending money to a member of the Welsh Government—
- (a) is not bound to enquire whether the member of the Welsh Government has power to borrow the money, and
- (b) is not to be prejudiced by the absence of any such power.
- (6) The Welsh Ministers may not mortgage or charge any of their property as security for money which they have borrowed under section 121(1A).
- This is subject to section 121(3) (charging of sums on the Welsh Consolidated Fund).
- (7) Security given in breach of subsection (6) is unenforceable.”