



# Water Resources (Scotland) Act 2013

## 2013 asp 5

### PART 3

#### SCOTTISH WATER'S FUNCTIONS

##### *Exercise of functions*

#### **23 Value of water resources**

In section 25 (Scottish Water's general powers) of the 2002 Act, after subsection (1) there is inserted—

“(1A) Subsection (1) extends to allowing Scottish Water to engage in any activity that it considers will assist in the development of the value of Scotland's water resources (as construed in accordance with section 1 of the Water Resources (Scotland) Act 2013).”.

#### **24 Development of assets**

After section 50 of the 2002 Act there is inserted—

##### **“50A Development of assets**

- (1) So far as it considers is not inconsistent with the economic, efficient and effective exercise of its functions, Scottish Water must take reasonable steps to develop the commercial value of its assets and expertise.
- (2) In complying with subsection (1), Scottish Water must have regard to any guidance for the time being issued by the Scottish Ministers.
- (3) In this section, “assets” means property, rights and other assets (whether tangible or intangible).”.

#### **25 Supporting renewable energy**

After section 51 of the 2002 Act there is inserted—

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*Status: This is the original version (as it was originally enacted).*

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**“51A Supporting renewable energy**

- (1) So far as it considers is not inconsistent with the economic, efficient and effective exercise of its functions, Scottish Water must take reasonable steps to promote the use of its assets for the generation of renewable energy.
- (2) In complying with subsection (1), Scottish Water must have regard to any guidance for the time being issued by the Scottish Ministers.
- (3) In this section, “assets” means property, rights and other assets (whether tangible or intangible).”.

**26 Meaning of core functions**

In section 70 (interpretation) of the 2002 Act, for subsection (2) there is substituted—

- “(2) In this Act, the references to core functions in relation to Scottish Water are to its functions under or by virtue of—
- (a) the 1968 Act and the 1980 Act,
  - (b) any other enactment (including this Act) so far as relating to the provision of water or sewerage services in Scotland.”.

*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”.

## **28 Water and sewerage undertaking**

- (1) Section 14 (financing, borrowing and guarantees) of the 2005 Act is amended as follows.
- (2) For subsection (2) there is substituted—
  - “(2) In such circumstances as the Scottish Ministers may by order specify, the undertaking 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.
  - (2A) Borrowing may be made in pursuance of subsection (2) only with the consent of Scottish Water (except where it is the lender).”.
- (3) In subsection (3), for the words “(2)(a)” there is substituted “(2)”.
- (4) In subsection (6), after the word “subsection” there is inserted “(2)(b) or”.

*Other matters*

**29 Errors in metering**

In section 54 (register of meter to be evidence) of the 1980 Act—

- (a) in subsection (3), for the words “five per cent” there is substituted “the relevant percentage”,
- (b) after subsection (3) there is inserted—

“(4) In subsection (3), “the relevant percentage” means—

- (a) in the case of a high flow rate, 2.5%,
- (b) in the case of a low flow rate, 6%.

(5) The Scottish Ministers, by regulations—

- (a) must define “high flow rate” and “low flow rate” for the purpose of subsection (4),
- (b) may amend a percentage figure appearing in subsection (4).”.