

SCHEDULE 1

(introduced by section 8)

CAPITAL EXPENDITURE OF, AND BORROWING BY, CERTAIN STATUTORY BODIES

Capital expenditure of local authorities etc.

1 In section 94 of the Local Government (Scotland) Act 1973 (c. 65) (capital expenses of local authorities etc.) insert—

“(5) In exercising their functions under subsection (1) above the Scottish Ministers shall seek to ensure that the aggregate amount of relevant expenditure by virtue of this section in any financial year does not exceed the amount specified for that year for the purposes of this subsection in a Budget Act.

(6) In subsection (5) above, “relevant expenditure” means such expenditure as the Scottish Ministers may from time to time determine in writing, being expenditure resulting from the incurring of liabilities to which subsection (1) above applies.

(7) The Scottish Ministers shall lay before the Scottish Parliament every determination under subsection (6) above together with a statement of their reasons for making the determination in those terms.”

NHS trusts

2 (1) In Schedule 7B to the National Health Service (Scotland) Act 1978 (c. 29) (financial provisions relating to NHS trusts), after paragraph 2 insert—

“Limits on borrowing

2A In any financial year the net aggregate amount of sums borrowed by NHS trusts shall not exceed the amount specified for that year for the purposes of this paragraph in a Budget Act.

2B In paragraph 2A above, “net aggregate amount” means the aggregate amount of sums borrowed in the financial year less any repayments made during that year (otherwise than by way of interest) in respect of sums borrowed in that or any other year.”

(2) Paragraphs 3 and 4 of that Schedule are repealed.

Scottish Homes

3 (1) The Housing (Scotland) Act 1988 (c. 43) is amended as follows.

(2) In section 7 (borrowing by and government loans to Scottish Homes)—

(a) after subsection (3) insert—

“(3A) In any financial year the net aggregate amount of sums borrowed under this section as general external borrowing shall not exceed the amount specified for that year for the purposes of this section in a Budget Act.

Status: This is the original version (as it was originally enacted).

(3B) In subsection (3A) above—

“general external borrowing” means—

- (a) in relation to Scottish Homes, sums borrowed under subsection (1) above,
- (b) in relation to a wholly owned subsidiary of Scottish Homes, sums borrowed by the subsidiary (whether or not a subsidiary of Scottish Homes at the time of the loan) other than sums borrowed from Scottish Homes, or another wholly owned subsidiary of Scottish Homes,

“net aggregate amount” means the aggregate amount of sums borrowed in the financial year less any repayments made during that year (otherwise than by way of interest) in respect of sums borrowed in that or any other year.”,

- (b) in subsection (4), the words from “and the Treasury” to the end are repealed,
- (c) in subsection (5), the words from “and all sums” to the end are repealed,
- (d) subsection (6) is repealed,
- (e) in subsection (8), the words “In this section and” are repealed.

(3) Section 9 is repealed.

Scottish Enterprise and Highlands and Islands Enterprise

4 (1) The Enterprise and New Towns (Scotland) Act 1990 (c. 35) is amended as follows.

(2) In section 25 (finances of Scottish Enterprise)—

(a) after subsection (1) insert—

“(1A) In any financial year the net aggregate amount of sums borrowed by Scottish Enterprise and its subsidiaries as general external borrowing shall not exceed the amount specified for that year for the purposes of this section in a Budget Act.

(1B) In subsection (1A) above—

“general external borrowing” means—

- (a) in relation to Scottish Enterprise, sums borrowed by it other than sums borrowed from a body corporate which is or was one of its subsidiaries at the time of the loan,
- (b) in relation to a subsidiary of Scottish Enterprise, sums borrowed by the subsidiary (whether or not a subsidiary of Scottish Enterprise at the time of the loan) other than sums borrowed from Scottish Enterprise, or another subsidiary of Scottish Enterprise,

“net aggregate amount” means the aggregate amount of sums borrowed in the financial year less any repayments made during that year (otherwise than by way of interest) in respect of sums borrowed in that or any other year.”,

- (b) subsections (2) to (4) are repealed.

(3) In section 26 (finances of Highlands and Islands Enterprise), after subsection (3) insert—

“(3A) In any financial year the net amount of sums borrowed shall not exceed the amount specified for that year for the purposes of this section in a Budget Act.

(3B) In subsection (3A) above, “net amount” means the amount of sums borrowed in the financial year less any repayments made during that year (otherwise than by way of interest) in respect of sums borrowed in that or any other year.”

5 The Scottish Enterprise Act 1999 (c. 5) is repealed.

New water and sewerage authorities

6 (1) Section 84 of the Local Government etc. (Scotland) Act 1994 (c. 39) (financing of and borrowing by new water and sewerage authorities) is amended as follows.

(2) In subsection (2), the words “Subject to subsection (7) below” are repealed.

(3) After subsection (2) insert—

“(2A) In any financial year the net aggregate amount of sums borrowed by the new water and sewerage authorities shall not exceed the amount specified for that year for the purposes of this section in a Budget Act.

(2B) In subsection (2A) above, “net aggregate amount” means the aggregate 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.”

(4) Subsections (5) to (8) are repealed.

Scottish Environment Protection Agency

7 (1) The Environment Act 1995 (c. 25) is amended as follows.

(2) In section 48 (borrowing powers of Agencies)—

- (a) in subsections (2) and (3), for “subsection (5)” substitute “subsections (5) and (5A)”,
- (b) subsection (5)(b) and the preceding “or” are repealed,
- (c) after subsection (5) insert—

“(5A) In any financial year the net amount of sums borrowed by SEPA under this section shall not exceed the amount specified for that year for the purposes of this section in a Budget Act.

(5B) In subsection (5A) above, “net amount” means the amount of sums borrowed in the financial year less any repayments made during that

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

year (otherwise than by way of interest) in respect of sums borrowed in that or any other year.”

- (3) In section 49 (government loans to Agencies), subsections (3) to (5) cease to have effect so far as relating to the Scottish Environment Protection Agency.