



Water Industry (Scotland) Act 2002

2002 asp 3

PART 3

SCOTTISH WATER

Finances

42 Financing and borrowing

- (1) The Scottish Ministers may pay to Scottish Water grants of such amounts as they may determine—
 - (a) in respect of the exercise of its functions and its administrative expenses,
 - (b) for the purpose of meeting, or alleviating, any loss it may sustain by virtue of regulations made under section 40.
- (2) A grant under subsection (1) may be made subject to such conditions as the Scottish Ministers think fit.
- (3) For the purpose of the exercise of any of its functions, Scottish Water may—
 - (a) subject to such conditions as the Scottish Ministers think fit, borrow from them, and they may lend to it, sums of such amounts as they may determine, and
 - (b) with the consent of the Scottish Ministers, borrow money, whether in sterling or otherwise, from any person or body, whether in the United Kingdom or elsewhere.
- (4) In any financial year the net amount of sums borrowed by Scottish Water must not exceed the amount specified for that year for the purposes of this section in a Budget Act.
- (5) In subsection (4), “net amount” means the 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.

Status: This is the original version (as it was originally enacted).

- (6) Any loans made in pursuance of subsection (3)(a) are to be repaid to the Scottish Ministers at such times and by such methods, and interest on the loans is to be paid to them at such times and at such rates, as they may from time to time direct.