

Scotland Act: Borrowing

Capital Borrowing

Under the Scotland Act 2016 the following limits have been agreed:

- The aggregate borrowing cap will increase to £3bn (from £2.2bn)
- The annual limit will be increased to 15% of the overall borrowing cap (£450m)

(This increases capital borrowing available under Scotland Act 2012 which was set at an aggregate cap of £2.2 billion with borrowing limited in any one year to 10% of our capital budget.)

[REDACTED]

Revenue Borrowing – Scotland Act 2016

- The annual limit for borrowing for forecast errors will increase to £300m (from £200m under Scotland Act 2012)
- The annual limit for borrowing for forecast and economic shocks will increase to £600m during the financial years of a Scotland-specific economic shock
- An overall debt limit of £1.75bn will apply (increase from £500m under Scotland Act 2012)
- A Scotland-specific economic shock is triggered when onshore Scottish GDP growth is below 1% in absolute terms on a rolling 4 quarter on 4 quarter basis, and 1% below UK GDP growth over the same period.
- Flexible repayment period of between 3 and 5 years, decided by Scottish Ministers (previously 4 years under Scotland Act 2012).