

Report to: West Yorkshire Combined Authority

Date: 9 December 2021

Subject: Non-Transport Borrowing Powers

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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this report

- 1.1 The West Yorkshire “minded-to” Devolution Deal was announced as part of the Budget on 11 March 2020. Statutory processes were completed in January 2021, and the mayoral combined authority model was adopted along with additional functions.
- 1.2 Further to the Order and the approvals already provided, this report seeks to:
 - consent in principle to the regulations to provide the Combined Authority with the power to borrow for non-transport related functions, set out in the ‘minded to’ Devolution Deal.
 - delegate authority to the Managing Director of the Combined Authority, in consultation with the Leader and Chief Executive of each Constituent Council and the Chair of the Combined Authority, to finalise and consent to the final draft of the regulations further to any technical issues which may arise.

2. Information

- 2.1 The West Yorkshire Devolution Deal included the provisions for the Combined Authority to be given the powers for non-transport borrowing functions.

- 2.2 When the draft Devolution Order was considered and approved by the Combined Authority in November 2020, it was reported that the consent of each Constituent Council and the Combined Authority would be required to any Regulations giving the Combined Authority powers to borrow for non-transport functions. But that this would be progressed separately, at a later date to the making of the Order, as separate legislation is required.
- 2.3 At the Combined Authority in October 2021, the debt cap of £248.326 million for 2021/22 as offered by HM Treasury was approved, which was the first stage in the process to enable the non-transport borrowing powers to be agreed.
- 2.4 Government are now finalising the legislation to enable the Combined Authority to borrow for non-transport functions. The legislation will be in line with powers already held by other Combined Authorities¹ and there is no facility to make amendments to this. It is expected that the legislation will be laid in parliament in January 2022, the date is not yet known.
- 2.5 Liaison is underway with Local Authority Officers to enable equivalent approvals to be made by each Local Authority prior to the Order being laid.
- 2.6 Once the Combined Authority has received the powers, it will enable borrowing to be undertaken as part of the budget process for non-transport functions, such as housing or tackling the climate emergency. Further details will be provided at future meetings regarding options and proposals.

3. Tackling the Climate Emergency Implications

- 3.1 There are no implications relating to tackling the climate emergency as a result of this paper. It will however be reflected in any activity that may be supported by the use of the borrowing powers.

4. Inclusive Growth Implications

- 4.1 There are no implications relating to inclusive growth as a result of this paper. It will however be reflected in any activity that may be supported by the use of the borrowing powers.

5. Equality and Diversity Implications

- 5.1 An equality impact assessment will be undertaken relating to any activity that may be supported by the use of the borrowing powers. All services provided by the Combined Authority consider how to ensure equality and diversity in their delivery.

6. Financial Implications

1.1 ¹ [The Combined Authorities \(Borrowing\) Regulations 2018 \(legislation.gov.uk\)](https://legislation.gov.uk)

- 6.1 There are no direct financial implications, however the legislation once complete will allow the Combined Authority to use non-transport borrowing powers in future budgets.

7. Legal Implications

- 7.1 None arising directly from this report.

8. Staffing Implications

- 8.1 None arising directly from this report.

9. External Consultees

- 9.1 As part of the statutory process, a public consultation was previously undertaken. The summary of the results was submitted to the Secretary of State and has been taken into account during the drafting of the Order.

10. Recommendations

- 10.1 To consent in principle to the regulations to provide the Combined Authority with the power to borrow for non-transport related functions, set out in the 'minded to' Devolution Deal.
- 10.2 To delegate authority to the Managing Director of the Combined Authority, in consultation with the Leader and Chief Executive of each Constituent Council and the Chair of the Combined Authority, to finalise and consent to the final draft of the regulations further to any technical issues which may arise.

11. Background Documents

None

12. Appendices

None