

SHEFFIELD CITY COUNCIL

OFFICER EXECUTIVE DECISION RECORD (Non Key)

The following decision was taken on 6th January 2022 by the Executive Director, Resources.

Date notified to all members: 21st January 2022

Officer Non-Key decisions are not subject to call-in.

1. **TITLE**

Mayoral Combined Authority Borrowing Order Consent

2. **DECISION TAKEN**

In accordance with section 23(6) Local Government Act 2003 the Council consents to the making of regulations that extend the existing borrowing powers of the South Yorkshire Mayoral Combined Authority to include all its functions.

3. **Reasons For Decision**

At present the South Yorkshire Mayoral Combined Authority (“SYMCA”) has borrowing powers limited to its transport functions. Under the Local Government Act 2003 these powers can be extended by regulation to include any function of an MCA. In accordance with s23(6) of the Local Government Act 2003. The making of such a regulation requires the consent of the constituent members of the MCA. In the case of SYMCA that includes Sheffield City Council.

Regulations extending the borrowing power are only made if the relevant MCA has agreed a debt cap with HM Treasury. This has been agreed with HM Treasury and was approved by the SYMCA at its meeting in November 2021. This cap must be agreed annually with Treasury and is a central government control on borrowing by MCAs.

Except as funded from elsewhere (grants, gainshare etc), the Constituent Councils of the SYMCA are responsible for meeting the costs of the SYMCA that are reasonably attributable to the exercise of the SYMCA’s functions (except Transport) including, for example, interest on borrowing. However, the extension of the borrowing powers and agreement of the debt cap does not mean that the SYMCA will take on additional borrowing. Rather, the extension of the SYMCA’s borrowing powers will allow the region to maximise the benefit of the annual devolution funding provided to the MCA by providing flexibility as to how this is deployed. Specific investment decisions will be taken at the SYMCA Board, on which Sheffield City Council is represented.

We are supportive of the SYMCA being able to borrow for all its functions, which is

consistent with the position for other local authorities including Sheffield City Council.

4. Alternatives Considered And Rejected

Not consenting to the Regulations was considered but rejected. The SYMCA being able to borrow for all its functions puts it in the same position as other local authorities and provide the SYMCA with helpful flexibility in how it deploys its funding.

5. Documents used in making decision:

1. Letter from_Paul Rowsell CBE, Department for Levelling Up, Housing and Communities
2. Draft Combined Authorities (Borrowing) Regulations 2022

6.1 Any conflict of interest declared by any Executive Member who is consulted by the Officer when making the decision

None

6.2 Any dispensation granted by the Head of Paid Service

None

7. Respective Director Responsible for Implementation

Acting Executive Director, Resources