

Cabinet

Tuesday, 30 November 2021 at 2.00 pm

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SUPPLEMENTAL AGENDA

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11. NTCA Borrowing Powers and Debt Cap Agreement 2021-2022	1 - 2
<p>Members are requested to note the intention to circulate the above report on a supplemental agenda in accordance with the provisions of the Local Government (Access to Information) Act 1985.</p>	
12. (a) In year appointments – Chair of Inclusive Economy Board	3 - 4

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Subject: NTCA Borrowing Powers and Debt Cap Agreement 2021-2022

Report of: Chief Finance Officer

Portfolio: Investment and Resources

Report Summary

This report seeks Cabinet approval to the necessary steps for NTCA to acquire statutory borrowing powers for non-transport related functions. This will entail the Authority agreeing a “debt cap” with HM Treasury and providing its consent to the making of the necessary regulations by central government.

Recommendations

The Cabinet is recommended to:

1. authorise the completion of an agreement with central government as to the maximum borrowing permitted (debt cap) for 2021/22 of nil;
2. consent to the making of the necessary regulations by central government; and
3. authorise the Managing Director, Chief Finance Officer and Monitoring Officer, in consultation with the Mayor, to take all necessary steps to give effect to the recommendations above.

1. Background Information, Proposals and Timetable for Implementation

- 1.1 In its Autumn Statement in 2016, the government announced that it would give Mayoral Combined Authorities powers to borrow for their new non-transport related functions, allowing them to invest in economically productive infrastructure, subject to agreement of a borrowing cap (or debt cap) with HM Treasury. (NB: all combined authorities have borrowing powers in relation to their transport functions.) However, as NTCA did not legally exist when the necessary statutory instrument was made in early 2018, it was not possible for NTCA to be included in the legislation at that time and so NTCA has not benefitted from these wider statutory borrowing powers to date.
- 1.2 Since its establishment, discussions between NTCA’s representative and HM Treasury have been ongoing about it acquiring these wider borrowing powers. HM Treasury have indicated their willingness to include NTCA in a new set of regulations which will apply to a number of mayoral combined authorities who were not included in the previous regulations. In order for this to happen, NTCA must consent to the making of those regulations and agree a debt cap for the 2021/22 financial year. As NTCA does not need to undertake any borrowing in the current financial year, it is proposed to agree a debt cap of £0 for the current year. By agreeing the cap for the current year and consenting to the making of the regulations, this will allow NTCA to be included in the regulations which are expected to be laid in January 2022. This will mean that NTCA will have these borrowing powers in future years which will provide the authority with more flexibility in its approach to use of the Investment Fund and the delivery of the Mayor and Cabinet’s priorities. The debt cap for each year will be agreed with HM Treasury on an annual basis.

2 Potential Impact on Objectives

- 2.1 The North of Tyne Combined Authority Corporate Plan sets out the strategic objectives of the Authority. Securing borrowing powers will further enable the Authority to properly discharge its functions and assist in delivering the Authority’s vision, policies, and priorities.

3 Key Risks

3.1 There are no specific risks relating to this report.

4 Financial and Other Resources Implications

4.1 There are no direct financial implications arising from the outcomes of this report. Should the authority secure prudential borrowing powers those powers will be used in accordance with the requirements of CIPFA's Prudential Code for Capital Finance in Local Authorities.

5 Legal Implications

5.1 The comments of the Monitoring Officer have been included in this report.

5.2 The constituent authorities of NTCA are also required to consent to the making of the regulations which will provide NTCA with borrowing powers.

6 Equalities Implications

6.2 There are no direct equalities implications arising from the recommendations in this report.

7 Inclusive Economy Implications

7.1 There are no direct inclusive economy implications arising from the recommendations in this report.

8 Climate Change Implications

8.1 There are no direct climate changed implications arising from the recommendations in this report.

9 Consultation and Engagement

9.1 The creation of the North of Tyne Combined Authority has been subject to significant regional and national engagement. The Authority's budgets are based on the devolution deal and the statutory order which created the Authority and the Authority's Vision which has been detailed in the Corporate Plan which has been agreed by Cabinet and is being shared with stakeholders in a range of events.

9.2 Consultation with the Business Community and the Community and Voluntary Sector is undertaken as part of the overall approach to engagement undertaken with these sectors and will include any future consideration of prudential borrowing as appropriate for the authority. In addition, the attendance at Cabinet of both the Ambassador for business and the Ambassador for the Community and Voluntary sector will add to the opportunity for engagement.

10 Appendices

None

11 Background Papers

None

12 Contact Officers

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13 Glossary

NTCA North of Tyne Combined Authority

Subject: In year appointments – Chair of Inclusive Economy Board
Report of: Monitoring Officer
Portfolio: All

Report Summary

This report recommends that Baroness Tanni Grey-Thompson be appointed as Chair of the Inclusive Economy Board.

Recommendations

Cabinet is recommended to appoint Baroness Tanni Grey-Thompson as Chair of the Inclusive Economy Board.

1. Background Information, Proposals and Timetable for Implementation

- 1.1 The purpose of the Inclusive Economy Board (IEB) is to advise, support, challenge and influence inclusive economy interventions across the North of Tyne area, championing the NTCA Vision and supporting the area to become a national exemplar in inclusive growth. The Board also provides robust governance around an integrated strategic approach to better integrate and strengthen education, skills and employment interventions in order to improve local education and employment outcomes for North of Tyne residents. The Board acts in an advisory capacity to support the delivery of NTCA's inclusive economic growth ambitions.
- 1.2 The Right Reverend Bishop Christine Hardman has chaired the IEB since its creation. She has now retired and stepped down from her role as the Chair of the IEB.
- 1.3 Under the IEB's terms of reference, the Chair of the IEB is to be nominated by the Mayor and the Employability and Inclusion Portfolio Cabinet Lead and then subject to Cabinet approval.
- 1.4 The IEB met on 25 November 2021 and proposed Baroness Grey-Thompson as their new Chair. The Mayor and Councillor Kilgour, as the portfolio lead and the Vice Chair of the IEB, agreed to nominate Baroness Grey-Thompson to Cabinet.
- 1.5 Baroness Tanni Grey-Thompson is one of Britain's most successful sports people having broken over 30 World Records and represented Britain at five Paralympic Games. In 2010 she became an Independent Crossbench Peer in the House of Lords, taking the title Baroness Grey-Thompson of Eaglescliffe in the County of Durham with interests including disability rights, welfare reform, sport.
- 1.6 Her interest in, and commitment to, a more inclusive economy in the North East of England is also demonstrated by her wider professional roles. She is a Board Member of the London Marathon organisation, the Sportsaid Foundation, the Duke of Edinburgh Awards and Join In. In addition to this she is also a Board Member of several organisations including Transport for London, the London Legacy Development Corporation and the London 2017 Organising Committee. In 2021 she became President of the Local Government Association: she is also Chancellor of Northumbria University recognising her long-standing commitment to the North East of England.

2. Potential Impact on Objectives

The nomination is in line with the Authority's Constitution and decision-making arrangements and will enable the Authority to properly discharge its functions and assist in delivering the Authority's vision, policies and priorities.

3. Key Risks

None.

4. Financial and Other Resources Implications

There are no direct financial implications arising from this report.

5. Legal Implications

The Monitoring Officer is the author of this report and the proposals reflect the requirements of the provisions of NTCA's Constitution.

6. Equalities Implications

There are no direct equalities implications arising from this report.

7. Inclusive Economy Implications

There are no direct inclusive economy implications arising from this report.

8. Climate Change Implications

There are no direct climate change implications arising from this report.

9. Consultation and Engagement

The members of the NTCA Inclusive Economy Board have been consulted on these proposals.

10. Appendices

None.

11. Background Papers

NTCA Inclusive Economy Board Terms of Reference

12. Contact Officer

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