

EXTRAORDINARY MEETING OF THE GENERAL PURPOSES COMMITTEE: **MINUTES**

Date: Friday, 2nd March 2018

Time: 10.00am – 10.15am

Present: Councillors Bailey, Bates, Connor (substituting for Councillor Count), Criswell, Dupre, Giles, Hunt (substituting for Councillor Bywater), Hickford (Chairman), Hudson, Kavanagh, McGuire (substituting for Councillor Schumann), Nethsingha, Shuter, Whitehead and Wilson (substituting for Councillor Jenkins)

Apologies: Councillors Bywater, Count, Dupré, Jenkins and Schumann

The Chairman thanked Members for agreeing to attend this meeting at such short notice. He advised that following discussions with the Chief Executive and the Monitoring Officer, he was satisfied that there were special circumstances which warranted calling this Extraordinary meeting of the Committee.

71. DECLARATIONS OF INTEREST

There were no declarations of interest.

72. PROPOSAL TO PROVIDE CONSENT FOR CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY TO BORROW FOR ITS NEW FUNCTIONS

The Committee considered a report on a request from the Combined Authority to each of its constituent councils to provide consent to borrow for any of its functions in accordance with Section 23(5) of the Local Government Act 2003. It was noted that the Combined Authority could already borrow for transport projects, and although it had no imminent plans to borrow for other functions, the very tight parliamentary timescales meant that if it did not meet this deadline, there was considerable uncertainty on when the next opportunity would be.

Officers explained that this would enable the Combined Authority to undertake its own borrowing, thus avoiding the need for constituent councils to undertake borrowing on behalf of the Combined Authority. Whilst consent of constituent authorities was required, it was confirmed that the County Council would have no liability. The draft Statutory Instrument would be published on Monday 5th March 2018.

Arising from the report:

- it was confirmed that if any of the constituent Councils did not agree, the Combined Authority would not be able to borrow for any of its new

functions. The Combined Authority could already borrow for transport projects, but this would enable it to borrow for economic regeneration, skills, housing and infrastructure;

- it was confirmed that the Statutory Instrument was for all Combined Authorities across the country;
- it was noted that while the Statutory Instrument would give the Combined Authority the ability to use these borrowing powers, it currently had no plans to use these powers until 2020-21. Any decisions to borrow would go through the normal Combined Authority processes;
- noting that no liability would fall on any of the constituent authorities, a Member asked who would be liable, as the Combined Authority did not have any assets. Officers confirmed that the Combined Authority was accumulating assets through building up its balance sheet through government funding. A Member observed that the Mayor had the ability to raise his own precept, so in theory, any financial failure could impact on the County's residents. It was confirmed that the Combined Authority's borrowing limit had already been set by the Section 151 Officer, and this was likely to be less than the total funding the Combined Authority would receive over 30 years. It was also noted that the precept powers could not be used for all functions, but ultimately this was a question for the Combined Authority, as any move to raise Council Tax would need to go through its governance processes;
- in the event of the Combined Authority borrowing for housebuilding, a Member asked whether those houses would then be considered as its assets. Officers responded that this depended how the arrangements were structured, e.g. they may become the property of another body, such as a Community Land Trust;
- a Member commented that she was not happy that constituent councils were being asked by government to make a decision on this matter at very short notice;
- whilst accepting that there was no liability on the County Council, a Member asked what scope the Council had to monitor the Combined Authority's borrowing. The Chairman pointed out that the Board of the Combined Authority was made up of its constituent authorities, and its governance arrangements included a Scrutiny Committee.

In response to a Member query, it was noted that the reasons for urgency were fully set out at the beginning of the report. The Chairman reiterated that he had taken advice and was satisfied that the circumstances were exceptional. The Monitoring Officer explained that the Chairman could call a meeting to consider business which he felt should be dealt with as a matter of urgency by virtue of Section 100B(4)(b) of the Local Government Act 1972. The agenda and report had been published on the same day as the meeting had been called, which was the requirement.

It was resolved unanimously:

to agree the request to consent being given on behalf of
Cambridgeshire County Council for Cambridgeshire and Peterborough
Combined Authority to borrow for any of its new functions.