This Statutory Instrument corrects errors in S.I. 2024/232 and is being issued free of charge to all known recipients of that Statutory Instrument

Draft Regulations laid before Parliament under section 23(10) of the Local Government Act 2003 and section 252(4) of the Levelling-up and Regeneration Act 2023, for approval by resolution of each House of Parliament.

D R A F T S T A T U T O R Y I N S T R U M E N T S

2025 No.

LOCAL GOVERNMENT, ENGLAND

The Combined Authorities (Borrowing) and East Midlands Combined County Authority (Borrowing and Functions) (Amendment) Regulations 2025

Made - - - -

Coming into force in accordance with regulation 1(2)

The Secretary of State makes these Regulations in exercise of the powers conferred by sections 23(5) and (8A) and 123(1) of the Local Government Act 2003(**a**) ("the 2003 Act") and by sections 10(1) and (2)(c), 18(1),(3) and (5)(a), 30(3)(c)(ii) and 252(2) of the Levelling-up and Regeneration Act 2023(**b**) ("the 2023 Act").

In accordance with section 23(6)(**c**) of the 2003 Act the combined authorities mentioned in regulation 2 and the councils whose local government areas are comprised in the areas of those combined authorities have consented to the specification of the functions in regulation 2 for the purposes of Part 1 of the 2003 Act. In accordance with section 23(8B)(**d**) of the 2003 Act the East Midlands Combined County Authority and the councils of the local government areas of Derby City, Derbyshire, Nottingham and Nottinghamshire(**e**) have consented to the specification of the functions in regulation 3 for the purposes of Part 1 of the 2003 Act.

In accordance with sections 10(8) and 18(6) of the 2023 Act the East Midlands Combined County Authority and the councils of the local government areas of Derby City, Derbyshire, Nottingham and Nottinghamshire have consented to the making of these Regulations.

(**a**) 2003 c. 26. Subsection (5) was inserted by section 119 of and paragraph 117(1) and (2) of Schedule 6 to the Local Democracy, Economic Development and Construction Act 2009 (c. 20) and amended by section 9(3) of the Cities and Local Government Devolution Act 2016 (c. 1). Subsection (8A) was inserted by paragraphs 149 and 150(1) and (2) of Schedule 4 to the Levelling-up and Regeneration Act 2023 (c. 55).

(**b**) 2023 c. 55.

(**c**) Subsection (6) was inserted by section 9(3) of the Cities and Local Government Devolution Act 2016.

(**d**) Subsection (8B) was inserted by paragraphs 149 and 150(1) and (2) of Schedule 4 to the Levelling-up and Regeneration Act 2023.

(**e**) The councils of the local government areas of Derby City, Derbyshire, Nottingham and Nottinghamshire are comprised in the areas of the East Midlands Combined County Authority.

A draft of this instrument has been laid before, and approved by a resolution of, each House of Parliament pursuant to section 23(10) of the 2003 Act(**a**) and section 252(4) of the 2023 Act.

PART 1

General

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Combined Authorities (Borrowing) and East Midlands Combined County Authority (Borrowing and Functions) (Amendment) Regulations 2025.

(2) These Regulations come into force on the day after the day on which they are made.

(3) These Regulations extend to England and Wales.

PART 2

Combined authority borrowing

North East Mayoral Combined Authority and York and North Yorkshire Combined Authority borrowing

2. All functions of the following authorities(**b**) other than their transport functions(**c**) are specified for the purposes of section 23(5) of the Local Government Act 2003 (power to borrow money for a purpose relevant to a function specified in regulations)—

(a) the North East Mayoral Combined Authority(**d**);

(b) the York and North Yorkshire Combined Authority(**e**).

(**a**) Subsection (10) was inserted by section 9(3) of the Cities and Local Government Devolution Act 2016.

(**b**) Mayoral combined authorities who, on or before 22nd October 2024 have entered into a debt agreement with His Majesty's Treasury. "Debt agreement" means an agreement between a combined authority and His Majesty's Treasury which provides for annual maximum limits on the long term external debt (borrowing for more than 12 months) into which the authority may enter.

(**c**) Section 23(5) of the Local Government Act 2003, as amended by the Local Democracy, Economic Development and Construction Act 2009 (c. 20) and the Cities and Local Government Devolution Act 2016 (c. 1), confers borrowing powers on a combined authority in relation to purposes relevant to its transport functions and to any other functions specified in regulations by the Secretary of State.

(**d**) The authority was established under article 5 of S.I. 2024/402 and its functions are set out in Parts 5 to 10 of that Order.

(**e**) The authority was established under article 3 of S.I. 2023/1432 and its functions are set out in Parts 3 to 10 of that Order.

PART 3

East Midlands Combined County Authority borrowing

East Midlands Combined County Authority borrowing

3. All functions of the East Midlands Combined County Authority(**a**) are specified for the purposes of section 23(8A) of the Local Government Act 2003 (power to borrow money for a purpose relevant to a function specified in regulations)(**b**).

PART 4

Functions of the East Midlands Combined County Authority

Economic development and regeneration functions

4.—(1) The functions of the councils for the local government areas of Derby City, Derbyshire, Nottingham and Nottinghamshire under section 1 of the Localism Act 2011(**c**), to the extent that those functions are exercisable for the purpose of economic development and regeneration, are exercisable by the East Midlands Combined County Authority in relation to the area of that County Combined Authority.

(2) The functions referred to in paragraph (1) are exercisable concurrently with the councils for the local government areas of Derby City, Derbyshire, Nottingham and Nottinghamshire.

Amendment of the East Midlands Combined County Authority Regulations 2024

5. The East Midlands Combined County Authority Regulations 2024(**d**) are amended as follows—

(a) in regulation 10(3) (application of certain provisions of the 1985 Act, the 1990 Act and the 2008 Act) for "regulation 8(1)(o) and (p)" substitute "regulation 8(1)(a) to (e)";

(b) in regulation 26 (functions exercisable only by the Mayor), after paragraph (9) insert—

"(9A) The Mayor may arrange for the general functions mentioned in paragraph (1) to be exercised by a committee of the Combined County Authority, consisting of members appointed by the Mayor (whether or not members of the Combined County Authority).";

(c) in regulation 35(b) (incidental provisions), in subsection (4A) at the end insert "or is a non-constituent member subject to a resolution under section 11(4) of the Levelling-up and Regeneration Act 2023";

(d) in paragraph 3 of Schedule 1 (proceedings)—

(i) in sub-paragraph (1), for "the following sub-paragraphs" substitute "sub-paragraphs (6A) and (7)";

(ii) after sub-paragraph (6) insert—

"(6A) Sub-paragraph (1) does not apply to—

(a) a matter to which regulation 15(3) applies (local transport functions under the Transport Act 2000); and

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(**a**) The authority was established under regulation 3 of S.I. 2024/232 and its functions are set out in Parts 5 to 10 of those Regulations, who, on or before 22nd October 2024 has entered into a debt agreement with His Majesty's Treasury.

(**b**) Section 23(8A) of the Local Government Act 2003, as amended by the Levelling-up and Regeneration Act 2023 (c. 55) confers borrowing powers on a combined county authority in relation to any other functions specified in regulations by the Secretary of State.

(**c**) 2011 c. 20.

(**d**) S.I. 2024/232.

(b) decisions made under article 8 of the Combined Authorities (Finance) Order 2017(**a**).”; and

(iii) in sub-paragraph (7)(a) after “approval or amendment of a budget” insert “(excluding decisions made under article 8 of the Combined Authorities (Finance) Order 2017)”.

Signed by authority of the Secretary of State for Housing, Communities & Local Government

Name

Parliamentary Under Secretary of State
Date Ministry for Housing, Communities & Local Government

EXPLANATORY NOTE

(This note is not part of the Regulations)

Section 1 of the Local Government Act 2003 (“the 2003 Act”), read with section 23(5) of that Act, gives mayoral combined authorities the power to borrow money for a purpose relevant to its transport functions. Regulation 2 of these Regulations provides certain such authorities with the power to borrow money for any of their other functions and not just transport.

Chapter 1 of Part 2 of the Levelling-up and Regeneration Act 2023 (c. 55) (“the 2023 Act”) provides for the establishment of combined county authorities (“CCAs”) for areas consisting of the whole area of a two-tier county council, plus a minimum of one or more whole areas of another two-tier county council, unitary county council or unitary district council in England. CCAs are bodies corporate which may be given power to exercise specified functions of a local authority under section 18 of the 2023 Act, and of a public authority under section 19 of that Act.

Section 1 of the Local Government Act 2003, read with section 23(8A) of that Act, gives combined county authorities the power to borrow money for a purpose relevant to their transport functions. Regulation 3 of these Regulations provides the East Midlands CCA with the power to borrow money for any of its other functions and not just transport.

Part 4 of these Regulations makes provision for the East Midlands CCA. Regulation 4 provides for the East Midlands CCA to exercise the functions of its constituent councils under section 1 of the Localism Act 2011 for the purposes of economic development and regeneration. Regulation 5 amends the East Midlands Combined County Authority Regulations 2024 (S.I. 2024/232) to facilitate the exercise by the East Midlands CCA of its housing functions, voting rights of non-constituent members in committees, joint committees and sub committees of the East Midlands CCA, the exercise of general functions of the mayor by a committee of the CCA and voting provisions.

An impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sectors is foreseen.

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(**a**) S.I. 2017/611 as amended by S.I. 2024/652.

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