

Item 4j

**Bonds task and finish group – report from Cllr Edward Lord OBE JP
(Chairman)**

Work in October

Business case

1. The bonds task and finish group had previously concluded that a key element in developing a robust business case was professional legal and banking advice. Following a tender exercise Clifford Chance and HSBC were appointed.
2. Officers have worked with both sets of advisors to short-list the options for achieving a collective agency, and the potential issues with each.
3. The business case will comprise:
 - 3.1 The strategic case for a local authority collective agency, drawing on lessons from other countries that have developed similar arrangements.
 - 3.2 The economic case, comprising a limited set of short-listed options. A key issue is an assessment of the Power of General Competence and whether it allows councils to offer cross guarantees.
 - 3.3 The commercial/financial case - including the practical steps needed to establish a collective agency and the costs of its creation.
4. The intention is to complete this work by the end of this year. The business case will be reviewed by the Task and Finish Group prior to being considered by the LGA Executive.

Other work

5. Officers have coordinated with colleagues in the New Local Government Network as they are developing a separate piece of work capital financing of infrastructure. The intention is to ensure that messages from both pieces of work are consistent and mutually supportive.

Contact officer: Mark Luntley
Position: Programme Director
Phone no: 0207 664 3336
E-mail: mark.luntley@local.gov.uk