

Local authority bonds task and finish group – report from Cllr Edward Lord OBE JP (Chairman)

Certainty rate

1. The 2012 Budget proposed a 20 basis points (0.2%) reduction in interest rates for loans from the Public Works Loans Board (PWLb).
2. LGA and Local Partnerships staff have met Treasury and councils to ensure that the certainty rate arrangements were put into place with the minimum of unnecessary bureaucratic oversight.

Discussions with local government finance officers.

3. Having discussed the proposed agency with CIPFA technical group that oversees capital and treasury issues officers established there was strong support for the LGA's work. A key issue is there are benefits for councils from having different sources of borrowing.
4. Two consultation conferences were organised (in Lancashire and London) at which the LGA proposals were set out to an audience of Finance Directors. Both meetings sought feedback from finance practitioners and that information will be built into developing work.

International perspectives

5. Officers have met senior managers from the different Nordic collective local government agencies. There was strong interest in our work and the related discussions were very helpful in setting out the practical issues in setting up and prudently managing a local authority agency.
6. The LGA Chairman has also met with politicians and officials in Sweden and Denmark to share knowledge about our plans, and to see how collective agencies operate in practice.

The summary business case

7. Copies of the summary business base have been sent to all Welsh and English councils and a web page providing further information has been launched on the LGA website.

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