

Local Authority Bonds Task and Finish Group Report from Councillor Edward Lord OBE JP (Chairman)

Context

1. Currently an increasing percentage of British pension funds are flowing overseas because of a lack of available places to invest in the UK, and as France moves closer towards opening its agency we must be encouraged to develop our agency to both ally ourselves with the best international financial practice and to remain competitive.
2. The idea of the UK's own collective agency was welcomed at the LGA's Regional Roadshows which toured the country in the late spring. It is recognised that there is a market for a municipal financial mechanism, such as the Collective Bonds Agency, which would offer an alternative source of finance to the Public Works Loan Board.

Pre-budget submission

3. The LGA asked the Government for a commitment to jointly develop this agency as part of the LGA's pre-budget submission. Here it was highlighted how the scheme would help develop a mature relationship between central and local government, give the public sector greater financial transparency and would be part of the modernisation of the working environment for local government.

Meetings

4. Sir Merrick Cockell, Sir David Wootton and I met with Lars Andersson, the first President of Kommuninvest – the Swedish Local Government Funding Agency, to discuss our arrangements for the collective agency.

LGA Annual Conference

5. The Task and Finish Group has secured a slot at the LGA's Annual Conference in Manchester where the next steps for this work will be set out more clearly.

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