

# Local authority bonds

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# Drivers for change

- Repeated changes from PWLB
  - Higher borrowing costs
  - Smaller authorities disadvantaged
  - International lessons
  - Savings by working together
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# Our recommendation

- Collective agency
    - Owned by local government
    - Relies on capital not cross guarantees
  - Would:
    - Lend funds at about 0.7% above “gilts”
    - Cost £2 to £4m to operate (depending on complexity)
    - Take around two years to establish
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# Benefits

- Less expensive funds
  - Managed by sector – no surprises
  - Principles:
    - Straight forward
    - Transparent
    - Collective
    - Efficient
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# Implementation

- Outline business case made, next steps
  - Consultation with:
    - Local government,
    - City and
    - Government
  - Developing detailed structure
  - Sign up @ 30 lead councils
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