

LGFA quarterly report – June 2021

Meeting: Audit, Risk and Finance Committee
Date of meeting: 10 June 2021
Reporting officer: Sue Davidson, GM Sustainable Growth & Investment

Purpose | Ngā whāinga

This report is for information only. Council is a member of Local Government Funding Agency (LGFA) and a guarantor. Reports are provided regularly by LGFA and it is appropriate that the Audit, Risk and Finance Committee understand the benefit and risks of our membership and receive a report twice a year.

Executive summary | Whakarāpopototanga

The report from LGFA details the key performance indicators and how the Local Government Funding Agency has performed. The report is positive although not all the key performance Indicators were met.

Recommendation | Ngā tūtohunga

That the Audit, Risk and Finance Committee

- a) Notes the Quarterly Report from LGFA ending 31 March 2021.

Context | Horopaki

Council is a member of LGFA and a guaranteeing Council. All Council's borrowings are made through LGFA and total \$44,000,000 as at 30 June 2020. The interest rate is cheaper than that charged by other lenders.

Discussion | Ngā kōrerorero

In the LGFA report (**attachment A**), LGFA shows how it performed against its KPIs. They met 86 out of 8 KPIs.

LGFA states that it continues to provide cost savings to members relative to other funding providers. In our latest refinancing the interest charged has been at a reduced rate. Council does have swap agreements coming due which increase the rate as Council wanted certainty of interest rate.

LGFA have attached a schedule of Council members (**attachment B**) Councils who are guarantors.

Policy and planning implications

The Treasury Policy allows the Council to borrow from a number of banks or other agencies. LGFA remains the cheapest.

Financial implications

Council receives on average a cheaper interest rate of at least 10 basis points.

Risks and mitigations

That a member council finds itself with larger debt than it can afford to repay, and calls are made on member councils.

Significance and engagement/Hirahira me ngā whakapāpā

The decisions or matters of this report do not trigger the significance criteria outlined in council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

Next steps | E whaiake nei

This report is for information only and therefore there are no next steps at this stage.

Attachments | Ngā tapiritanga

	Title
A	LGFA Quarterly Report
B	LGFA List of Guaranteeing Councils

Sue Davidson, 26 May 2021