

# Funding To Develop a Green Investment Strategy



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1. Investment Opportunities for Local Authorities
2. Benefits of Green Investments
3. Convincing the decision makers
4. What returns can you expect?
5. Interface with the PWLB

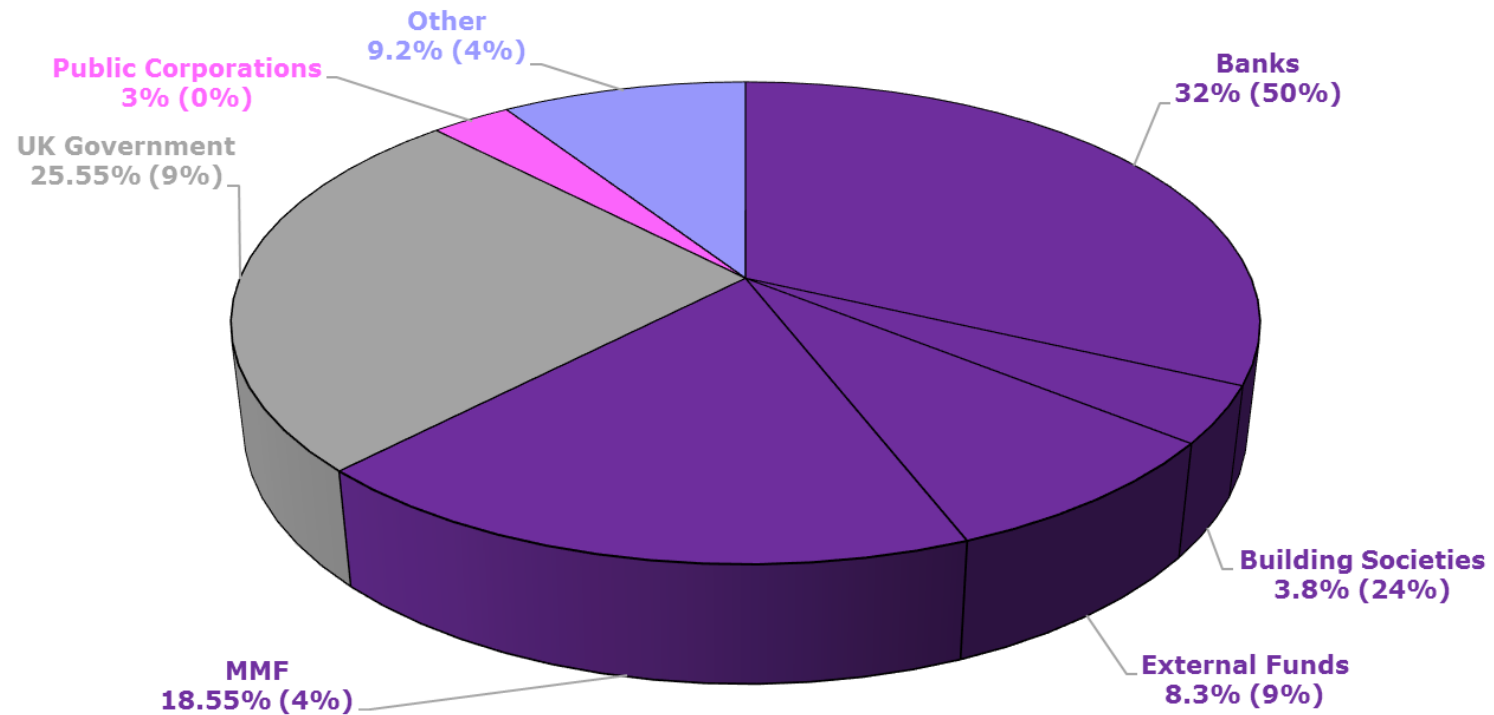
# Economic Background

- **English councils 'face £52bn funding black hole'**
- English councils could be forced to make draconian cuts to local services if Westminster does not pump extra cash into local government to avoid a £51.8bn black hole over the next six years
- **Councils restructuring in face of 'unparalleled cuts'**
- Councils are having to restructure services in the face of the most "intense cuts without parallel in modern times", MPs have heard.

# Investment Opportunities for Local Authorities

1. Treasury Management Strategy ( Finance)
2. Capital Investment Strategy (Finance)
3. Revenue Budget Spend to Save Schemes (Services)
4. Corporate opportunities for Local Authorities (Services and Politicians)
5. Pension Fund

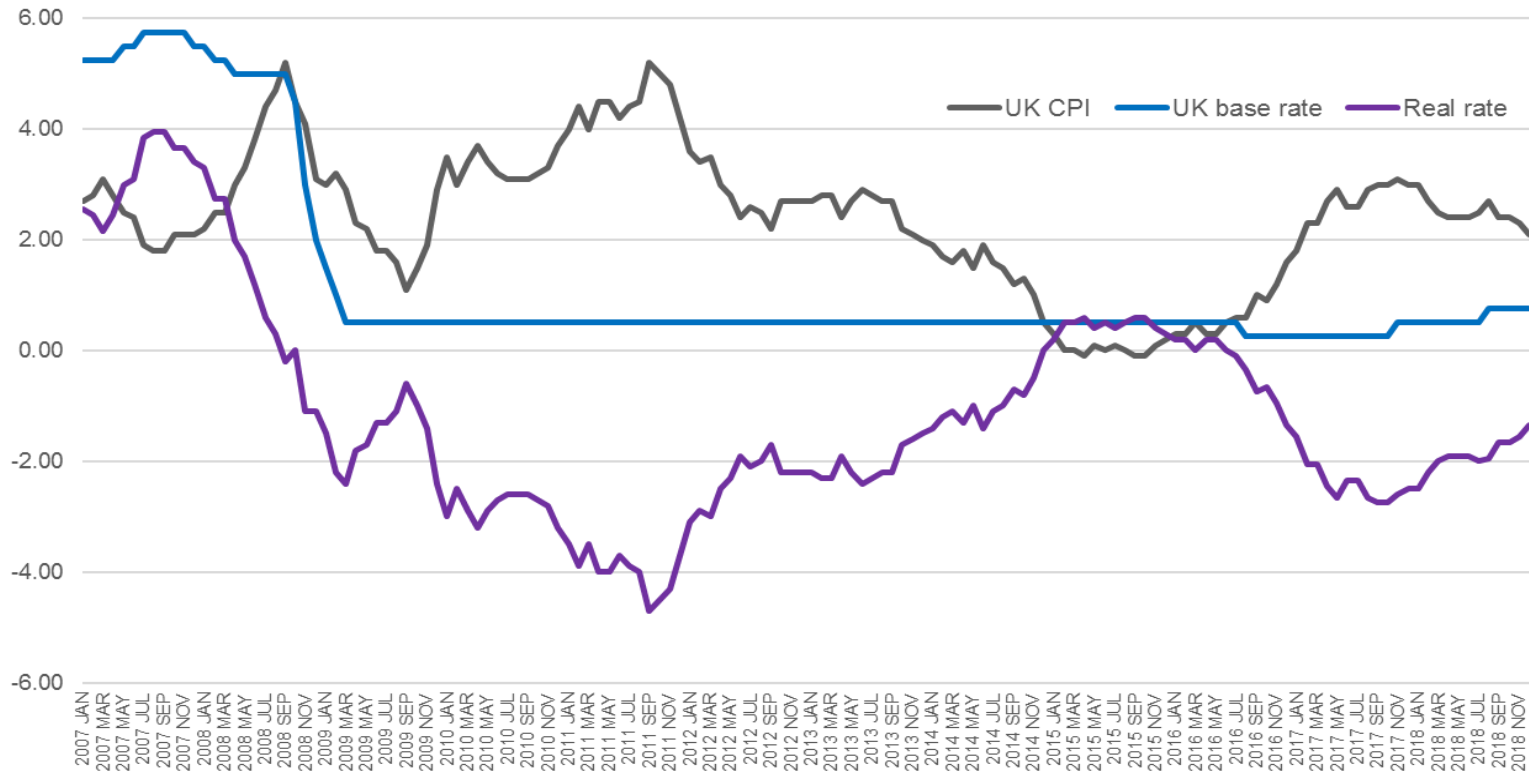
## Local Authority Investments at end of 2018 - £41.5bn



Financial Markets exposure: 62.65% (at 31/03/09: 87%)

# Spending power erosion:

Base rate, CPI and real rates since Jan 2006



# Benefits of Green Investments

1. Social and environmental benefits including carbon reduction
2. More resources applied to infrastructure and policy imperatives ( better housing / fuel poverty)
3. Higher investment returns and lower risk
4. Capital gains on investments
5. Above inflation returns protect spending power
6. Risk diversification
7. Ethical use of tax payers money

# Convincing the Decision Makers

1. Need to change thinking on investing
2. Political Will
3. Local Corporate plan
4. Carbon Reduction Strategy
5. Business cases
6. Spend to Save plans
7. Education and Training ( Finance MIFIID2)



# What Returns Can You Expect?

1. Risk Appetite
2. How much can you invest?
3. How long can you invest for?
4. Look out for Fees
5. Pooled Funds <3%
6. Direct Ownership via bond structure >5-12%
7. Equity options

# Interface with the PWLB

1. Can only be used for Capital schemes
2. State aid rules apply to commercial entities
3. Cheap and Quick
4. Alternative funding is available for specific schemes
5. Raise a local Green Bond?

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