

TITLE OF REPORT : LENDING TO HOUSING ASSOCIATIONS

REPORT OF THE HEAD OF FINANCE, PERFORMANCE AND ASSET MANAGEMENT

1. SUMMARY

- 1.1 At the 28th January 2013 Finance, Audit and Risk (FAR) Committee, Members requested that this area was reviewed to establish whether NHDC should include this as an option in its investment strategy, and that a report on this review was brought back to the FAR Committee for consideration.

2. RECOMMENDATION

- 2.1 That the Committee notes the conclusion reached in this report (at 8.8) that the Council should not include this option as part of its investment strategy

3. REASONS FOR RECOMMENDATIONS

- 3.1 As highlighted in this report, lending to a Housing Association would not generate sufficient financial benefits to the Council to make such a proposal attractive and viable as part of its Treasury Management strategy. Also, lending to a Housing Association would provide less security for Council funds than other investment options already utilised.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The initial query from Members asked that NHDC considered lending funds to North Hertfordshire Homes. As outlined in the section on State Aid, this consideration should be widened to any Housing Association of sufficient size, and possibly not just restricted to Housing Associations.

5. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

- 5.1 Consultation has been undertaken with the Portfolio Holder for Finance & IT.

6. FORWARD PLAN

- 6.1 This report does not contain a recommendation on a key decision and has not been referred to in the Forward Plan.

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18. BACKGROUND PAPERS

none