

News

BARNET WANTS BOND TO RAISE £360 MILLION FOR SERVICES; RASHID RAZAQ

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A LONDON council is seeking to set up a £360 million financial bond in a bid to find new ways of raising money for essential services.

Barnet wants to establish the secured loan to fund an expansion of transport, schools and housing growth for an anticipated population increase of up to 40,000 people over the next 10 years.

Councillors believe the 'Barnet bond' would provide up to half the £733 million which the north-west London borough needs. The bond would be financed from extra income created by expanding the housing stock and higher council tax and business rate receipts.

Bonds are used by American states but this is the first time a British council has considered one.

Other money-raising methods under consultation include the expansion of Brent Cross shopping centre and a £1-a-day levy on each parking space. Additional stamp duty or a threepence supplementary business rate have also been proposed by Sir Michael Lyons in his report on local government, which the Treasury is to rule on. However, Barnet council believes no new legislation is needed to start earmarking additional council tax receipts.

Leo Boland, Barnet council's chief executive, said: 'We're trying to show that there are options to make this model of local financing work. There are significant sources of money to pay for infrastructure improvements.'

A PricewaterhouseCoopers report has advised the borough to create a local growth fund, collecting the extra council tax receipts to give the council enough security to borrow money for infrastructure projects up front.

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