

news

Cash call from the 'voice of the suburbs'

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Ideas man: **Barnet Council** leader Mike Freer leads the charge asking the Government to help fund infrastructure in the suburbs

Barnet hopes City coffers will bankroll development.

Barnet became the 'voice of the suburbs' this week as ambitious plans to bankroll a massive surge in infrastructure development were laid open at Westminster.

Launching the Barnet Bond scheme to key figures on Tuesday, Barnet councillors openly admitted the proposals may never see be realised in their existing form.

But they firmly placed the onus on the Government to help develop their ideas and unlock £360m to spend on schools, roads and housing.

The plans could allow the council to harness the benefits of future development before it has taken place, and prevent a strain on resources from an anticipated rise in population of 40,000 in the next decade.

Barnet Council leader Mike Freer said: "It is about someone taking the lead and Barnet, over the last two years, has positioned itself as the voice of the suburbs.

"Eighty per cent of people in the UK live in suburbs; we are the vast majority of the population. We need to stop suburbs declining. Some may say they are already in decline. This is our response to that challenge."

One of the most radical ideas being suggested is borrowing money to fund developments in the form of bonds, with the debt eventually paid off using income generated by the development - a common practice in the US.

Ray Mills, of Price Waterhouse Coopers, which gives the council financial advice, has been working closely with councillors and officers on the proposals.

He said: "There are fantastic developments that fail because they lack the necessary finances. But when developments do occur, you start to see millions in revenue trickling through to the treasury. Wouldn't it be good to harness that revenue stream before it's generated?"

Another option is for the council to retain more in business rates, which are levied by councils on commercial properties and redistributed by the Government. Business rates are a bone of contention for economically successful boroughs like Barnet, where businesses pay more than they get back.

Mr Freer argues that successful suburbs need to be rewarded, not least because they drive the city by housing its workforce. He said: "The suburbs and the city are intertwined. If a multi-national company relocates to the City, they can't put all their employees in fancy apartments in Spitalfields.

"They want to put them in the suburbs, where it's green and there are schools, hospitals and the infrastructure to make things tick. If we get that wrong, then we undermine what makes the economy work."

The council hopes its ideas will provoke debate in Westminster, and it has already been in consultation with the Treasury and the Department of Communities and Local Government, though there has been no indication the proposals will be taken up.

At Tuesday's launch, Hendon MP Andrew Dismore put Labour allegiances to one side to support the ideas in principle. But he emphasised the need for urgency.

He said: "Barnet's problem is delivery. By the time the bean counters have finished it could be too late.

Growth is already happening and we need to get the debate moving on this now."

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