

news

Bid to find £700m without raising tax

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City money to fund new services in cash drive.

A major fundraising project is being launched by **Barnet Council** to bankroll £700 million of improvement work on roads, schools and hospitals across the borough.

It is estimated that Barnet's population will rise by around 40,000 in the next ten years, leaving the current network of public services under increasing pressure.

The Barnet Bond scheme would allow the authority to bring in money without increasing council tax bills or business rates.

The proposals are due to be discussed by councillors at a cabinet meeting tonight.

Proposed methods for raising funds centre on loans from the City, but include recouping money collected by central government from stamp duty and levying charges on drivers parking at Brent Cross shopping centre.

The council is also looking at the possibility of collecting a portion of the business rate which normally goes direct to central government, but critics point out that this would require a change in government policy.

Council leader Mike Freer said: "The increasing population is an issue that has to be addressed and this is what we think needs to be done to ensure the borough continues to run properly."

The report being put before the cabinet includes a list of works the council hopes to carry out by 2019. This includes spending around £280m on improvements to the A406 North Circular Road, £30m on the Primary Schools Capital Investment Programme (PSCIP) and £90m on further road upgrades.

Opposition councillors have reacted warily to the proposals. Councillor Alison Moore, Barnet Labour group leader, said: "We do need to look at how we fund infrastructure in Barnet, but I am deeply concerned about the risk of even more borrowing by a Tory council which has shown time after time its appalling financial mismanagement, and its dubious record at meeting the needs of our whole community."

"We will be seeking answers to find out precisely what we're being asked to sign up to and who is going to have to pay."

Councillor Monroe Palmer, Barnet Liberal Democrat leader, said: "This is a lot of old hat dressed up as a new strategy. I wish them the best of luck in persuading the Government to return the money to Barnet, but what makes them think the Government will give up its share of business rates?"

Mr Freer insisted the Government had given "the green light" to progress with the proposals because the borough's "financial situation is now stronger than it has been for a generation".

He added: "There has been no financial mismanagement - external auditors have commented on the improved financial management of the council since it was last run by Labour."

"Council tax payers will not be left to pick up the tab. It will be funded by the City and we are talking to major financial institutions. It will be repaid by developers. The money is not for us to spend willy-nilly. The Government would only allow councils regarded as being well-run to do this, and we tick that box."

The authority has already discussed the proposals with the Department for Communities and Local Government, the Treasury, the London Development Agency and Greater London Authority.

The scheme will officially be launched in central London on September 11 .

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