

Council Meeting

18 July 2013

Council Motion – Supporting the Financial Transactions Tax

This Council notes that:

- local government will see real term cuts in central grant of 30% over the 2010 Comprehensive Spending Review period, meaning a cut of £6bn in annual grant by 2015;
- extending the current FTT on shares to other asset classes such as bonds and derivatives could raise £20bn of additional revenue in the UK a year; and
- At least 11 European nations including France, Germany, Italy and Spain are moving ahead with FTTs on shares, bonds and derivatives estimated to raise £30bn a year, and the policy is supported by nobel prize winning economists like Paul Krugman and Joseph Stiglitz.

Council believes that:

- revenues from the FTT could help repair the damage caused by cuts in public services since 2010 and would be a way to reduce the impact of austerity on hard pressed Torbay taxpayers and our most vulnerable residents.
- local government deserves to receive a significant proportion of FTT revenues, making an important contribution to both capital and revenue expenditure such as reversing cuts to council tax benefits; and that
- whilst an FTT might have a negligible effect on jobs in the City of London, investing FTT revenues in a smart and progressive way would see a significant increase in employment levels in other sectors.

Council resolves that:

- the UK government should extend the current FTT on shares to other asset classes, such as bonds and derivatives.

Council further resolves to:

- write to the Prime Minister, Deputy Prime Minister, Leader of the Opposition, Chancellor and Shadow Chancellor of the Exchequer, and Secretary of State for Communities and Local Government stating this council's support for extending FTTs; and
- write to all local MPs outlining the Council's position.

Proposed by Councillor James

Seconded by Councillor Morey