

Council: Tuesday, 5 November 2013

Non-Executive Business Item: Councillor Alison Moore

Financial Transactions Tax

Council notes that:

- Local government will see real term cuts in central grant of around 30% over the 2010 Comprehensive Spending Review period, meaning a cut of £6bn in annual grant by 2015;
- Extending the current Financial Transaction Tax 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 Financial Transaction Tax on shares, bonds and derivatives estimated to raise £30bn a year.

Council believes that:

- Revenues from the Financial Transaction Taxes could help repair the damage caused by cuts in public services since 2010;
- Local government deserves to receive a significant proportion of Financial Transaction Tax revenues, making an important contribution to both capital and revenue expenditure and that;
- Whilst an Financial Transaction Tax might have a negligible effect on jobs in the City of London, investing Financial Transaction Tax revenues in a smart and progressive way would see a significant increase in employment levels in other sectors.

Council believes that the UK government should extend the current Financial Transaction Tax on shares to other asset classes, such as bonds and derivatives.

Council asks the Leader 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 Financial Transaction Tax; and
- Write to all local MPs outlining the Council's position.

Under Council Procedure Rule, Section 1, Standing Order 23.5: if my item is not dealt with by the end of the meeting I ask that it be voted upon at the Council meeting.