
SPECIAL MOTION NO. 5 – FISCAL STATEMENT

Standing in the names of:

- (i) Councillor Rowan Ree
- (ii) Councillor Ben Coleman

The Council notes the government's "mini-budget" on 23 September, in which the Chancellor of the Exchequer announced that the government would borrow billions of pounds to abolish the additional rate of income tax levied on those earning £150,000 a year.

This Council notes the reaction to the Chancellor's statement, which saw:

- The pound fall to \$1.0327, an all-time low, increasing the cost of imported goods and services;
- The largest two-day sell-off of UK government debt on record, requiring the Bank of England to spend billions of pounds to protect the country's pensions;
- 40% of available mortgages withdrawn from the market, notably those aimed at people on lower incomes or with fewer savings, thus increasing the cost of housing for this group; and
- A prediction by financial markets of an increase in interest rates to 6%, which would increase borrowing cost for households, businesses and the Council.

The Council welcomes the government's U-turn on abolishing the top rate of income tax under pressure from groups as diverse as the Labour Party, people earning over £150,000 a year and some senior Conservative MPs, including Michael Gove and Grant Shapps, the latter describing it as "wrong on every level.

The Council regrets local MP Greg Hands' support, prior to the government's U-turn, for abolishing the top rate of tax, tweeting "There is nothing inherently revolutionary or wrong with what the Government is proposing on tax... All of the measures have strong merits."

The Council fears that the Chancellor plans to usher in a new era of austerity, following his refusal to reconsider departmental budgets in light of higher inflation, and notes that the Institute for Fiscal Studies has calculated this will result in a real terms cut of £18bn a year in government spending.

The Council notes that under the previous Conservative austerity policies:

- The Council's funding was cut by 55% in real terms;
- Public services across the country were starved of the funding they needed; and

- Those most reliant on government support suffered the most from spending cuts.

The Council calls on the government to:

- Avoid further damaging austerity policies;
- Protect the public services that residents rely on; and
- Ensure that our poorest and most vulnerable fellow citizens do not pay the price for the government's ideologically-driven economic mismanagement.