

Dear Prime Minister,

We are concerned that the Coalition Government is slashing funding for local councils. Brighton and Hove will be hit particularly hard as the Government is taking a **THIRD** of the entire council budget over the next 4 years. The loss of around £50 million will force us to choose between vital services.

Cuts like these are unprecedented and they are grossly unfair as they take from the poorest and most vulnerable in society. There are alternatives so why do you continually refuse to consider them? These include:

Introducing a tax on financial trading, often called the Tobin Tax. Even a tax rate of less than quarter of a percent would raise billions of pounds. Many have called for this including the Archbishop of Canterbury. The European countries and even billionaires like Bill Gates and George Soros support the tax.

Clamping down on tax avoidance. Tax Research UK estimates that regulatory failures by HM Revenue & Customs and Companies House mean that around 500,000 companies a year fail to pay their tax. Just clamping down on this tax avoidance would put around £95 billion back in the public purse. Goldman Sachs, one of the richest companies in the world, has avoided £20 million of tax owed to the UK alone. Surely this is a time to increase tax inspectors not cut hundreds of them from HMRC?

Reducing Britain's debt at a sensible pace through growth not cuts
Firstly, despite your persistent scaremongering, UK debt is much lower than it has been for most of the last century. However, as long as the debt is mainly held by British citizens, there is no net loss of income from any debt repayment. We can pay it back through taxes when the economy is in a stronger position.

Investing in the economy. Creating jobs will boost the economy and cut the deficit. Isn't this obvious?

We, the citizens of Brighton and Hove, insist you implement these alternatives instead of ransacking our Council budget.

Notes:

In addition to the 33% cut in Government's formula grant to Brighton and Hove Council, the Coalition Government are also restricting other ways local authorities can raise money.

For example academy schools, which the Government is heavily promoting, don't have to use local authorities for services which will lose significant existing income.

Brighton and Hove Council planned to mitigate against some of the funding cuts by raising income from installing solar panels on Council buildings. However, the Government have decided to reduce the Feed in Tariffs (a scheme to buy back surplus energy generated) by a half.

The cancellation of the Carbon Reduction Commitment will mean the Council has to find an extra £200,000.

A 10% cut to Council Tax Benefit funding means choosing whether to bridge the gap by cutting services or deny people in genuine need. In an unusual move, the finance directors of all councils in Sussex have jointly written to the government expressing their concern.

The treasury will pocket about £12.5 million of income of local business rates collected by the Council. Further Government proposals will see the Treasury clawing back more business rates funding if the total amount collected by the Council does not exceed new Government targets.

The £3m tax freeze grant Government is offering to councils (equivalent of a tax increase of 2.5% for one year only) would, over 2 years, cost Brighton and Hove £5.4m compared to a moderate increase below the rate of inflation and more over the longer term.