

REDDITCH BOROUGH COUNCIL

COUNCIL

9th August 2010

NOTICE OF MOTION – VALUE ADDED TAX (VAT)

The following late Notice of Motion has been submitted by Cllr Robin King, and accepted by the Mayor for consideration at this evening's meeting.

"A. Redditch Borough Council NOTES that:

- 1. the increase in VAT from 17.5% to 20% announced in the Government's June Budget will fall hardest on those least able to afford it;*
- 2. the increase in VAT will lead to higher prices for goods and services; will have a disproportionate impact on pensioners and other low income groups; and will have a severe impact on businesses, charities and community groups in Redditch;*
- 3. the effect of the increase in VAT, when taken with other measures in the Budget, will be unfair to pensioners, who have not had a compensatory increase in other benefits and allowances;*
- 4. the way the VAT increase will affect pensioners and other low-income groups runs counter to the Government's Coalition Agreement statement on 20 May 2010 that it would 'ensure that fairness is at the heart of those decisions so that all those most in need are protected';*
- 5. the Institute of Fiscal Studies has stated that the VAT increase was not 'unavoidable', as the Chancellor of the Exchequer said in his budget speech; and that*

B. the Council RESOLVES:

to write directly to the Chancellor of the Exchequer raising concerns about the impact of the proposed VAT increase on pensioners, other vulnerable groups and businesses in Redditch and calls on the MP to stand up for Redditch's pensioners, businesses and wider community, to voice her opposition to this unfair increase in VAT and to vote against in Parliament."

Proposed by: Cllr Robin King

Seconded by: Cllr Bill Hartnett