

Green Motion: Support of a Wealth Tax to Fund Public Services

Hackney Council notes that:

1. Wealth is unevenly distributed between individuals in Great Britain, with the wealthiest 10% estimated to hold around half of all wealth. (1) In 2020, the wealth of the richest 1% of the population in Great Britain was over £3.6 million per household, compared with £15,400 or less per household for the least wealthy 10%. (2)
2. Though the gender pay gap has fallen over the last 20 years, women still earn around 15% less than men. Wealth is also lower for those with a longstanding illness or disability, identifying as bisexual and from several ethnic minority groups.(3)
3. Of the 316 local authorities in England, Hackney is ranked 19th most income-deprived. (4)

Hackney Council acknowledges that:

4. The council's core spending power (excluding Council Tax) is £156m less – 40%, in real terms – than in 2010-11.
5. Over the next three years, the council is forecasted to face a deficit of more than £50 million, due to the long-term impact of growing demand, rising costs and over a decade of national austerity policies by successive Conservative governments. (5)
6. Tory cuts have reduced spending in almost every area of public life across the UK. For example in welfare provision, working age benefits are now 7.5% lower - after adjusting for rising prices - than in 2009. (6)

Hackney Council believes that:

7. One of the most equitable measures to reduce national, regional and local inequality is to implement a national Wealth Tax;
8. A wealth tax of 1% annually should be levied on assets above £10 million and of 2% on assets above £1bn. Only a tiny minority of people would pay this tax. (7)

Hackney Council resolves to:

9. Write to the Prime Minister and the Chancellor urging an immediate introduction of a national Wealth Tax on the richest 1% to bring the era of austerity to a close in the UK, by ensuring the financial wellbeing of the most deprived boroughs in the country including Hackney.

10. To urge the Prime Minister to instruct HMRC and the Office of National Statistics (ONS) to collect better data on high wealth individuals to help inform policy-making, including how the wealth tax could alleviate poverty fairly across the UK.

Proposer: Cllr Garbett

Seconder: Cllr Binnie-Lubbock

Sources:

- (1) <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/distributionofindividualtotalwealthbycharacteristicgreatbritain/april2018tomarch2020>
- (2) <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/totalwealthingreatbritain/april2018tomarch2020>
- (3) <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/distributionofindividualtotalwealthbycharacteristicgreatbritain/april2018tomarch2020>
- (4) <https://www.ons.gov.uk/visualisations/dvc1371/#/E09000012>
- (5) Elected Mayor's Statement: https://www.youtube.com/watch?v=QoNC_vb3DSE
- (6) <https://www.bbc.com/news/63304224>
- (7) <https://greenparty.org.uk/about/our-manifesto/creating-a-fairer-greener-economy/>

Further information:

- <https://www.lse.ac.uk/International-Inequalities/Assets/Documents/WealthTaxCommission-Final-report.pdf>