

Charities call for new bonus tax



Sir Stephen Bubb, chief executive of Acevo, which represents 2,000 charity leaders in Britain, said such a levy could help prevent thousands of charities closing or cutting services.

He told the Times "ill-considered cuts" would "wreak havoc on communities".

Sir Stephen - knighted in the New Year Honours - said some councils had a "Neanderthal approach to cuts".

His comments coincide with a tax on the banks coming into force that is expected to raise almost £9bn for the Treasury over the coming four years.

It will target those institutions that rely heavily on short-term finance, in an attempt to encourage the banks to explore more stable ways of raising money.

'Gathering tsunami'

In his interview with the Times, Sir Stephen called for a meeting with Chancellor George Osborne.

He suggested the billions of pounds that would be raised by the tax he is proposing could be channelled straight into the Big Society Bank set up by the coalition to encourage social enterprise.

Charities would then be able to bid for the funds to help to fill the gap left by the estimated £1bn being shaved off local government grants as part of spending cuts, he argued.

Sir Stephen, who was knighted for services to the voluntary sector, said: "The £500m in cash reductions we've seen so far in the voluntary sector are merely the first signs of a gathering tsunami of ill-considered cuts which threatens to decimate the third sector, wreaking havoc on our communities.

"If some local councils continue with this Neanderthal approach to cuts, we will be setting a time bomb of social need, which first the most vulnerable in society and then, ultimately, taxpayers will pay for."

Last year former Chancellor Alistair Darling raised about £3bn for the Treasury by imposing a one-off, 50% tax on bonuses over £25,000.

The coalition has so far resisted bringing in a new tax on bankers' bonuses, but its levy on the balance sheets of banks is expected to raise £2.5bn this year and £8.8bn over four years.

The subject remains highly charged politically with the public seemingly keen to ensure bankers pay their fair share towards reducing the deficit"

