

## **Explanation of Council Tax Increase 2016/17**

Over the last five years Leeds has lost £180 million of core government funding and we are facing a further reduction of £34 million for 2016/17. At the same time, the Council continues to face cost pressures such as inflation and increased demand for services, particularly in relation to adults' and children's social care. We have also suffered reductions in other income due to changing economic circumstances.

For 2016/17 the Government announced a new power for local authorities with social care responsibilities to increase council tax by up to an extra 2% per year for adult social care. The Leeds element of council tax for 2016/17 is therefore increasing by 3.99%, made up of a 1.99% core increase plus 2% to be used exclusively to help fund the increasing costs of adult social care.

Council tax bills include amounts (also known as "precepts") for the Police & Crime Commissioner and the Fire & Rescue Authority. The Police & Crime Commissioner has increased the Police council tax by £5.00 per Band D property and the Fire & Rescue Authority have increased their council tax by 1.99%, so the overall increase in Council Tax is 3.87%, which in cash terms is £52.91 for a band D property - equivalent to £1.02 per week. For those living in areas with parish or town councils the overall increase may be slightly different, because many local precepts have also changed this year.

As a Council, we remain committed to tackling inequalities: for Leeds to be a compassionate city with a strong economy, with the Council contributing to this by being a more efficient and enterprising organisation.

Many people feel that the Council is managing well in a very difficult situation, but that we should explore a wide range of efficiencies and new ways of working before making cuts to frontline services. That is exactly what we are trying to do: we plan to make over £23 million of savings through new ways of delivering services including internal support services, better management of suppliers and contracts and reducing our office space. The Council itself will continue to get smaller with a further reduction of 299 staff by 31<sup>st</sup> March 2017.

Our priority remains to protect the most vulnerable. Over 60% of our expenditure for 2016/17 is on Adult Social Care and Children's Services. Despite having to take difficult decisions about services, we continue to invest in prevention and early intervention so that more people can get the support they need at an earlier stage. We are also continuing our restorative practice approach to working with children and families, empowering them to make positive decisions about their lives.

We continue to work with partners across the city to make the best use of resources, such as our work with the NHS to reshape health and social care services, supporting people who are living longer and have complex needs, helping them to remain living independently.

Our long term waste strategy, including the new Recycling and Energy Recovery Facility opened in 2015, is delivering savings of £4.7 million in 2016/17. We also plan to increase our income from trading activities.

Council taxes for local authorities vary widely, but even after the 2016/17 increase the council tax for Leeds remains one of the lowest of all the comparable major cities and metropolitan district councils.