



# Budget proposals

Dear stakeholder,

Councils across the country are facing unprecedented challenges and I wanted to update you on our [budget proposals](#) which were published on 13 December.

Spiralling social care prices, growing service demand and inflation are driving up costs. The Government's autumn statement last month didn't include any extra funding and has exacerbated an already dire situation for local authorities.

You may have seen that nearby councils, such as Nottingham City, have declared that they do not have enough resources to continue to deliver services by issuing a section 114 notice, and others, such as Leicester and Derbyshire, say they are being pushed to the brink.

We are not in crisis territory. We've successfully managed better than most by not forgetting about the financial realities of local government when delivering services. But we do have a significant budget gap and need to deliver services differently.

Our draft four-year budget plan, known as the Medium Term Financial Strategy, includes investing £127m more to meet growing demand, mainly in social care, and an extra £113m to cover inflation and the National Living Wage increase.

A three per cent Council Tax increase for our core services is planned for next year, generating £11m for front line services and adding 88p per week to the bill of a Band D property. A further £7m would be raised from a two per cent increase in the adult social care precept adding 58p per week. Those are maximum percentage increases allowed by the Government.

The proposals will be discussed by the council's cabinet on 19 December and residents, organisations, businesses and staff will be able to give their views during a consultation set to run from 20 December to 17 January.

We'll keep you updated on how you can share your views.

Yours faithfully,

Leicestershire County Council