

COUNCIL MEETING – 13th NOVEMBER 2024

NOTICE OF:	Reference No:	Date Received:	Date Forwarded:
White Paper	WP1	4/11/24	5/11/24

Submitted by: Councillor Alan Lamb
 Relevant Board/Regulatory Panel: Executive Board
 Executive Member/Chair: Leader of Council
 Relevant Director: Director of Strategy and Resources

This Council notes that the Labour Government inherited the fastest growing economy in the G7, with mortgage interest rates falling and inflation back to the Bank of England target after the impact of the COVID pandemic and the energy price crisis because of the war in Ukraine.

The independent Office for Budget Responsibility (OBR) forecasts that growth will now be lower, inflation will rise and mortgage interest rates will increase as a result of the Chancellor's budget on 30 October.

The OBR also forecasts that the policies in the budget directly:

- increase tax take to an historic high at 38 per cent of GDP by 2029-30;
- lower medium-term GDP growth to 1.5 per cent;
- push up CPI inflation, projected to rise to 2.6 per cent by 2025;
- increase borrowing by £19.6 bn this year and by £32.3 bn over the next five years;
- reduce real household disposable income by 2029;
- raise the bank rate and five-year gilt yield higher than forecast; and
- cut wages by £7.5 bn as a result of a hike in employers' national insurance.

This Council rejects the Chancellor's tax on jobs, which will hit businesses in Leeds. According to the OBR: *"policy changes leave nominal and real earnings growth lower over the remainder of the forecast as employers pass on the national insurance contribution rise"*. The OBR further notes: *"in 2025/26 firms will pass on 60 per cent of the higher costs to workers and consumers, via lower wages and higher prices"*.

Council believes this budget is a tax on working people.



Councillor Alan Lamb

Deadlines for submission

White Papers - 10.00 am on the day before the issue of the Summons

- Questions - 10.00 am on Monday before the meeting
- Amendments - 10.00 am on the day before the meeting
(including references back)

(All submissions should be made to Governance Services for receipt to be recorded and distribution made)
