



Our ref:

Your ref:

Date: 9th October 2023

The Prime Minister
10 Downing Street
London
SW1A 2AA

Castle House
Barracks Road
Newcastle-under-Lyme
Staffordshire
ST5 1BL

Dear Prime Minister,

I am writing to you today to request your support in seeking further funding from Central Government in relation to the growing challenges faced in the Local Government Sector.

In line with other local authorities, Newcastle-under-Lyme Borough Council faces large budget shortfalls due to the proposed national pay award, rising inflation and the Cost of Living Crisis. All of these factors place a direct pressure on the Councils finances, they also place pressure on the boroughs residents and their ability to pay their Council Tax, Business Rates and to utilise Council provided facilities such as leisure centres and commercial properties etc.

As a result of the Cost of Living Crisis, the Council is seeing a large increase in the demand for temporary accommodation. During 2022/23 the Council overspent its temporary accommodation budget by £250k, this year we expect the overspend to considerably exceed this and be in the region of £450k due to the increase in demand we are experiencing and the increase in accommodation provider costs. As an example of the pressure faced by the Council, the cost of putting a homeless person in temporary accommodation for a week would be in the region of £700 (7 nights at £100 per night Bed & Breakfast) the Council can only claim back £80.77 per claimant per week which leaves the Council to fund the remaining £619.23. Due to the lack of housing available we are finding that homeless people are having to use temporary accommodation from anywhere between 5 nights to 50 nights which is having a huge financial impact on the Council. There is concern that this pressure will continue to increase once the Renters Reform Bill comes into effect.

I would like to emphasise that we are committed to the Governments state goal to eliminate homelessness by 2025 but this will need to be paid for.

In addition to this the Council will also need to find an extra £1m next year to fund the national pay award. As this current year's award has not yet been finalised this amount may increase further.

In order to mitigate some of the financial pressure the Council faces, we have instigated again this year a strict budget setting process to make further efficiencies where possible while protecting frontline services. We have already saved over £10 million from Council budgets since 2018. I therefore request your support in providing the authority with additional funding needed to assist towards the pressures faced in order to avoid the Council having to review the provision of its core services.

I would like to thank you for taking the time to review our request and look forward to hearing from you in due course.

Yours Sincerely

Cllr Stephen Sweeney

Contacting the Council:

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Deputy Leader of Newcastle-under-Lyme Borough Council and
Portfolio Holder – Finance, Town Centres and Growth

CC Aaron Bell MP – Newcastle-under-Lyme Constituency

CC Jonathan Gullis MP – Stoke-on-Trent North Constituency

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