



**Our ref:**

**Your ref:**

**Date:** 1 August 2025

The Rt Hon Rachel Reeves MP  
The Chancellor of the Exchequer  
House of Commons  
London  
SW1A 0AA

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

By post & e-mail: [public.enquiries@hmtreasury.gov.uk](mailto:public.enquiries@hmtreasury.gov.uk)

Dear Chancellor of the Exchequer,

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 our borough.

In line with other local authorities, Newcastle-under-Lyme Borough Council faces large budget shortfalls due to the continuing Cost of Living Crisis. These factors place a direct pressure on the Council's 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 2024/25 the Council spent £930k on temporary accommodation, which is around 5.4% of the Council's net budget, due to the increase in demand and increases in accommodation provider costs. 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.

The Business Rates Retention reset is also a concern for us, initial forecasts indicate that this may reduce the Council's funding by £1.5m which is a considerable amount for a small local authority. Whilst there is recognition for changes, there is concern over the complexity of the changes that would be introduced in addition to the potential reduction in funding. We firmly believe that the current level of Business Rate Retention should be retained at the current rate or increased to encourage local economic growth.

In relation to businesses, this November will see the re-ballot of Newcastle's Business Improvement District where the BID will be seeking a mandate for a further 5-year term of delivery. The Council is very supportive of the BID, and has increased its partnership activity to ensure our businesses are well-supported and operate in a borough which has Civic Pride at its heart. However, there are costs associated with the ballot process which will be unrecoverable for the Council, and I would ask that Ministers consider changes to BID legislation to reduce the burden on local authorities.

Whilst Newcastle is a safe place to live, the cost of delivering community safety for reducing antisocial behaviour is an increasing pressure. The demand for further CCTV and Neighbourhood Wardens is being requested to which there is no additional available funding. The Council prioritised part of the UK Shared Prosperity Funding for this area, however it is not currently clear if this funding will continue or be cut, therefore we would request that consideration be given to extend the UK Shared Prosperity Fund in order to continue to provide this important community safety provision.

**Contacting the Council:**

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Our Council has raised major concerns around the forced Local Government Reorganisation (FLGR) process and its move away from the delivery of quality local services in Newcastle to more remote, less accountable super-councils. Following the resolution of our full Council we are nonetheless investigating options for FLGR, and have therefore needed to set aside a significant sum in our budgets of £200,000 for work on this process, money which I am sure you will appreciate would be better spent on delivery of services, including in the areas set out above. The Leader of the Council has called on our local MPs to pledge their support to the borough through the FLGR process.

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. I know you have previously campaigned against national cuts which impact on Councils providing local services. We have already saved over £10 million from Council budgets since 2018. I therefore request your support in providing the authority with the additional funding needed, to assist towards the pressures faced in order to avoid the Council having to again reduce the provision of its core services.

I would like to extend an invitation to visit Newcastle-under-Lyme and understand the progress we are making and the challenges we face. 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  
Deputy Leader of Newcastle-under-Lyme Borough Council and  
Portfolio Holder – Finance, Town Centres and Growth

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