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Councillor Jane Ashworth
Leader
Stoke-on-Trent City Council

By e-mail only: jane.ashworth@stoke.gov.uk

6th August 2026

Dear Councillor Ashworth,

I am writing as Deputy Leader of Newcastle-under-Lyme Borough Council and Cabinet Member for Finance to seek clarity and early dialogue about the financial implications of the proposed North Staffordshire unitary authority.

I recognise that any proposal of this scale will require close working between councils and Government to ensure that the new arrangements are financially sustainable from the outset. Given Stoke-on-Trent City Council's approximately £783 million of outstanding debt and its use of Exceptional Financial Support, it would be helpful to understand what discussions have taken place with Government about how these liabilities would be treated and whether additional funding, debt relief, restructuring or transitional support has been sought.

My priority is to ensure that residents in Newcastle-under-Lyme can have confidence that any future authority would be established on a fair, transparent and financially robust basis. I believe that, if we are forced to reorganise, we need to do so from a strong financial position, free from unaffordable and regressive debt. In this early phase of data gathering and business planning, it is therefore vital that all facts are clear and shared between authorities.

To support that understanding, I would be grateful if you could assist in providing answers to the following questions:

Stoke-on-Trent City Council's Debt

- Given that Stoke-on-Trent carries approximately £783 million of outstanding debt, what is the Council's formal position on whether this debt should transfer in full to the proposed new authority?
- Has the Council sought Government funding, debt write-off, restructuring, refinancing or other transitional financial support in relation to Stoke-on-Trent's outstanding debt, and if so, could you share the representations made and any responses received?
- If Government support, debt relief or restructuring has been requested but not yet confirmed, what contingency planning has been undertaken?
- What options are you seeking to explore for the new authority to ensure that historic liabilities are managed fairly and transparently, including any approach to protecting residents across the wider area from disproportionate financial impacts?

- What assurance can be provided that Newcastle-under-Lyme residents would not be required to bear an unfair share of debt accumulated before the creation of any proposed new authority?

Stoke-on-Trent City Council's Bailouts

- What is the Council's current plan and timetable for managing the £69.5 million of Exceptional Financial Support approved, drawn down or requested to date, together with any further support that may be requested for 2027/28?
- Could you provide details of the land and buildings included in the approximately £60 million capital-receipts programme intended to support the repayment of Exceptional Financial Support borrowing, including location, current use, estimated value, disposal status, expected sale date and anticipated net receipt after costs?
- How confident is the Council that these assets will be sold for the amounts forecast and within the expected timetable?
- What alternative options are available if these asset sales are delayed, do not proceed or raise substantially less than the approximately £60 million currently anticipated?
- If the asset-sale programme falls short, what further funding sources, Government support or financial mitigations would be considered before any impact on council tax, services or local assets?

Financial Viability of a North Staffordshire unitary authority

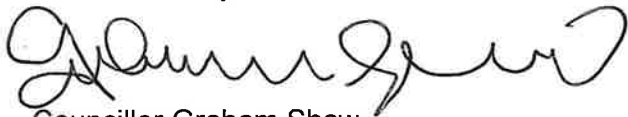
- What work is being undertaken by the Council, with Government and partner authorities, to ensure that the proposed North Staffordshire unitary authority would be established on a safe, lawful and financially sustainable footing, particularly in light of the projected efficiency gap of approximately £120 million to £130 million identified in the Medium-Term Financial Strategy?
- How does the Council currently expect that £120 million to £130 million gap to be addressed, and what discussions have taken place with Government about funding, transitional support or flexibility to avoid placing unfair pressure on council tax, frontline services or Newcastle-under-Lyme residents?

In my view, a credible financial plan would need to be underpinned by a clear opening balance sheet, a realistic Medium Term Financial Strategy and transparent arrangements for dealing with inherited liabilities. I would welcome the opportunity to understand what work has already been done with Government to secure the funding, debt treatment or transitional support needed to give residents confidence that the proposed authority would be financially sustainable and fair.

Newcastle-under-Lyme residents will understandably want reassurance that their interests are being protected as these proposals are considered. To that end, I would suggest that all four authorities (Staffordshire Moorlands, Newcastle-under-Lyme, Stoke-on-Trent and Staffordshire) write jointly to Ministers to seek their commitment. This would absolve the new

authority of debts from existing councils to allow for the best opportunity to start on the right financial footing and to inform the business plan that our officers will need to write in coming weeks. I hope that you will join with us in that endeavour. In the interests of transparency and public accountability, I intend to publish this letter and your response.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Graham Shaw', written in a cursive style.

Councillor Graham Shaw

Deputy Leader of Newcastle-under-Lyme Borough Council
Cabinet Member for Finance