

The Rt Hon Jeremy Hunt MP
Chancellor of the Exchequer
% The Correspondence and Enquiry Unit
1 Horse Guards Road
Westminster
LONDON
SW1A 2HQ

Dear Chancellor of the Exchequer

We are writing to you ahead of the Autumn Statement that you are preparing to deliver tomorrow.

We are in the middle of consulting on our budget proposals for 2024/5 and we want to set out the inexorable financial pressures Canterbury City Council is facing and ask you to take urgent action to preserve the vital public services our residents rely on by delivering a fair deal for Canterbury, Herne Bay, Whitstable and the surrounding villages.

Successive governments have cut funding to our area by £12 million in real terms since 2010.

This is equivalent to 72% of the funding we received from the government that was in power immediately before that.

Councils across the country, and of all political colours, are united in saying local government funding is not sustainable.

An increasing number of councils are warning they could effectively go bankrupt in the coming months and our colleagues at Kent County Council are struggling to balance their books which could have huge consequences for us if we are called upon to pick up the pieces.

The cross-party Local Government Association has warned that councils in England will face a £4 billion budget shortfall by March 2025.

Our own council is currently subject to a range of funding pressures requiring government support including

- a 36% fall in cash terms in the money we receive from the Revenue Support Grant and Business Rates funding formula since 2015/16.
A lack of clarity from your government on the cash we will receive in future years makes prudent financial planning incredibly difficult at a time when we are doing all we can to protect the vital frontline services our residents, especially our most vulnerable, rely on.

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- high rates of inflation and rising prices which have not been properly accounted for in government funding. We have seen increases amounting to hundreds of thousands of pounds in such run-of-the-mill expenditure such as building services, insurance and computer software licensing. Overall, the effect of direct and indirect inflation on the general fund revenue for 2024/2025 for Canterbury City Council will be in the order of £1.9 million, money having to be found currently from increased charges and cuts to services, all impacting directly on already-struggling residents living with a cost-of-living crisis.
- homelessness costs which remain a constant pressure in the face of the cost-of-living crisis and the ongoing freeze to Local Housing Allowance (LHA). Pressures on temporary accommodation are, as a result, at breaking point. Councils like ours do our best but are hidebound by government policies and inadequate funding. The inability to meet the needs of those residents at one of the lowest points in their lives is truly heartbreaking. To work with them and offer support we need a government that also supports us in delivering on that need through long-term and secure funding to build and manage suitable accommodation. You have an opportunity to do that in this Autumn Statement. We hope you recognise and meet that overwhelming need for more temporary accommodation.

These funding pressures we bring to your attention today are largely a direct result of government policy.

Your government should bear the responsibility of meeting them rather than, once again, forcing councils to increase Council Tax bills.

This is simply not sustainable during a cost-of-living crisis.

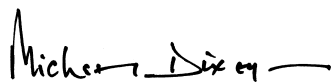
Without immediate action, councils will need to make increasingly-difficult decisions about services we will have to reduce or stop altogether.

You have an opportunity in your Autumn Statement to deliver a fair deal for Canterbury City Council and help us protect vital public services and to avoid increasing the tax burden on families still dealing with the cost-of-living crisis. We urge you to take it.

Yours sincerely



Cllr Alan Baldock (Labour)
Leader of Canterbury City Council



Cllr Michael Dixey (Lib Dem)
Deputy Leader of Canterbury City Council