

Letter to all East Sussex MPs – 7 January 2026

Dear [x] MP,

We are nearing the moment of setting an annual budget for East Sussex County Council but with a clear and inescapable fact in front of us: that we do not have the resources to meet the priority needs of the people who live here.

Because of this, we expect to ask the Government to approve up to an extra £70m of borrowing (known as Exceptional Financial Support) so that we can continue to invest in essential services and prevention where this will reduce the escalation of need and costs.

This is a critical situation for any local authority, but especially for one which independent assessments have agreed is already lean and well-run.

Our position shows that financial prudence, innovation and a continuous track record of making savings are simply not enough when national funding formulas do not account for the genuine need in East Sussex, particularly our high elderly population.

Our draft budget in February will include plans for a net spend of about £690m on our priorities next year. Our investment in adult social care and children's services has increased by 40 per cent and 54 per cent respectively in the last three years, reflecting the growing demand for, and cost of, many of the most vital services including community care, special educational need and disability services and looking after children in care.

Yet available resources are not keeping pace; they are falling back. We expect a loss of almost £13m over the medium-term as a result of changes confirmed in recent funding announcements. Our core spending power, excluding council tax, reduces by almost six per cent by 2028/29.

We understand the financial pressures on the public purse and we welcome the government's willingness to review and reform how local government is funded.

Yet as the current effect of those reforms is to leave the people we serve in East Sussex worse off, while their needs increase, we cannot see how this could be described as 'fair funding.'

To be clear, most of our services are statutory (not optional). We've made deep cuts of £156m since 2010 and are continuing to make savings. We have reduced reserves to the minimum. And people in East Sussex already pay a high level of council tax. *(It would require an annual increase in council tax of 19 per cent to close our financial gap).*

Seeking Exceptional Financial Support is therefore our only remaining option to set a balanced budget in February.

However this also comes at a cost, with annual repayments adding to the pressure on our revenue budget from next year onward.

There are two ways in which your support and intervention, if you felt it appropriate, would be most helpful at this point.

The first would be to impress on Ministers and officials that, despite high levels of need, ESCC will lose a further £13m as a result of recent funding changes and announcements, including the effects of the government's Fair Funding Review. It is hard to see how this tallies with the Government's ambition for fair and sustainable funding in local government.

The second would be to urgently request an increase in the provisional financial settlement for East Sussex in 2026-27 to better meet some of the real and urgent need of your constituents. This would have the added benefit of reducing the repayment costs of Exceptional Financial Support in years to come. Government is consulting on the provisional allocations and before January 14 there is still time to press for additional funding to be included in the final settlement to be announced in February.

If you would like more information or details about our resource and budget position, please let me know.

We are grateful for your continued support, but regret that it is now needed more than ever.

It is certain that many more local authorities will now be seeking exceptional financial support from the government and this illustrates the general pressure on the sector.

But all the evidence shows that East Sussex is being particularly hard hit. This is why, despite years of effective and careful management, we have arrived at this critical moment.

Yours sincerely,

Becky Shaw

Chief Executive