

Report to: Cabinet

Date of meeting: 20 March 2025

By: Chief Executive

Title: Local Government Reorganisation.

Purpose: To seek Cabinet approval of an Interim Plan for Local Government Reorganisation, for submission to Government in conjunction with the East Sussex district and borough councils and to seek the agreement of Cabinet to continue working with other relevant authorities, to develop a full proposal for a single tier authority for submission in September 2025.

RECOMMENDATIONS:

Cabinet is recommended to:

- 1) Agree in principle the Interim Plan set out at Appendix 2;**
 - 2) Delegate to the Chief Executive in consultation with the Leader authority to finalise the content of the Plan for submission to Government; and**
 - 3) approve the continued development of proposals for the establishment of a single tier authority for the East Sussex area including public and stakeholder engagement.**
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1. Background Information

1.1 As discussed at Full Council and Cabinet in January 2025, the Government published its Devolution White Paper in December 2024. Alongside the Government's ambitions in relation to Devolution and the establishment of Strategic Authorities the White Paper also announced the Government will facilitate a programme of local government reorganisation for two-tier areas and for unitary councils where there is evidence of failure or where their size or boundaries may be hindering their ability to deliver sustainable and high-quality public services.

1.2 The White Paper sets out that reorganisation should enable Devolution. The White Paper also sets out that the new Councils should be of a sufficient size to be able to withstand financial shocks, achieve efficiencies and improve capacity. The Government's expressed view was that this would mean creating Councils with a population size of 500,000 or more, acknowledging that there could be exceptions to this view to make sure that structures made sense for an area. Alongside this, Government has set out that proposals should prioritise the delivery of high quality and sustainable public services; meet local needs and be informed by local people; support devolution arrangements; enable stronger community engagement and neighbourhood empowerment.

1.3 On 5 February 2025 the Minister of State for Local Government and English Devolution wrote to all District, Borough and County Councils in two-tier areas and some unitary councils issuing a statutory invitation for proposals for a single tier of government within their respective

areas. The area that our invitation related was the County of East Sussex. A copy of the Minister's letter and the statutory invitation is set out at Appendix 1.

1.4 The Government is adopting a staged process. As can be seen from the letter and invitation the initial stage is for all areas to submit an interim plan to Government on or before 21 March 2025. This should set out progress on developing proposals in line with the criteria and guidance. The letter at Appendix 1 sets out what is expected in this interim plan, including of the councils in Sussex as part of the Devolution Priority Programme.

1.5 This report provides a copy of the proposed joint submission for Cabinet's consideration. It is a high level, indicative document which does not form a formal gateway within the process. Following this, details of the approach to be taken will be worked on further, with Members being able to direct and shape its final configuration. All 6 council Leaders have worked together to shape this in the East Sussex Council Leaders' group.

1.6 It is not entirely clear what sort of feedback government officials will provide but it is hoped it will help support us in developing final proposals.

1.7 The statutory invitation was to all the principal authorities in the County of East Sussex and therefore included Brighton and Hove City Council (BHCC). BHCC have undertaken their own initial consultation on whether the boundaries of BHCC should be extended to parts of Lewes District Council or a number of other Councils in West Sussex. It is not currently known what the BHCC interim plan will propose. The Government has expressed an expectation that one interim plan is jointly submitted by all councils in the area of East Sussex but we have sought clarification from Government and they have indicated the 6 councils within East Sussex submitting their response is acceptable.

2 Proposal

2.1 The Councils have been working together to ensure a single, combined response is produced for Government. The resulting Interim Plan document is set out at Appendix 2 and has been put together by the Chief Executives supported by a cross-councils officer project team established for this purpose. The project team is accountable to the East Sussex Chief Executives' Group, which in turn is accountable to the East Sussex Leaders' group. All councils are seeking Member approval ahead of submission to Government by 21 March 2025.

2.2 It is important to note that this is a high-level document plan setting out progress on developing our proposal for shaping what local government across East Sussex will be.

2.3 Assuming approval is given by all councils, following submission of the Interim Plan considerable further work will be undertaken to develop more detailed and specific proposals, and to formalise the structures needed to deliver Local Government Reorganisation (LGR). The importance of involving all stakeholders both within councils and in the wider system fully throughout this process is recognised by all councils. As is already indicated in the initial submission, there will be strong focus on community engagement, to ensure the future arrangements respond to local community needs. Given that this approach has been mandated by Government, it will be essential to ensure that the final configuration recognises the different needs of the different parts of East Sussex. An emphasis which focuses on meeting the varying needs of rural, urban and coastal communities will be essential.

2.4 The joint council Leaders' Group will continue to lead this work, under which the East Sussex Chief Executives and LGR Project team will operate. These bodies will, in close consultation with each constituent council, help to oversee a cross-council approach, developing and agreeing a programme of workstreams for delivery of the new unitary council. Principles which will underpin the approach to be taken by the Leaders have been agreed, as follows.

- decision making will be evidence led
- we will learn from others' experiences of LGR and Devolution
- decisions made by all sovereign bodies until vesting day will have the interests of the future unitary council as an explicit consideration
- there will be full transparency over resources including transition funding and agreed allocations reflecting costs incurred
- a commitment to appropriate levels for decision making, engagement and local member roles including in parished and non-parished areas
- a commitment to robust scrutiny arrangements in transition/formation and beyond
- a comprehensive and inclusive approach to stakeholder and partnership engagement.

2.5 In line with government requirements, a full proposal for the East Sussex unitary authority will need to be submitted to government by 26 September 2025 (areas that are not in the Devolution Priority Programme are required to submit proposals by the end of November 2025). Therefore, a key task for the joint council Leaders' group in conjunction with the East Sussex Chief Executives will be to ensure appropriate joined up arrangements are in place to develop these proposals in full, cross-council. As part of that, extensive informal and formal processes will be put in place at each council to ensure a full dialogue and individual council input at all stages.

2.6 The statutory invitation at Appendix 1 sets out guidance to which the Council must have regard, and to which the Government will take into consideration in considering any proposal.

2.7 Following the 26 September submission, it is anticipated that the Government will launch a consultation on the proposal with a view to making a decision in the first quarter of 2026 and, if agreed, preparing and laying the necessary legislation in the latter half of 2026 to enable a unitary shadow authority to be elected in May 2027.

2.8 Alongside this, some of the District and Borough Councils are giving consideration to establishing Town Councils, with Eastbourne agreeing at its Cabinet meeting in February, a Community Governance Review is to be undertaken with a view to developing proposals for a new town council level of government for Eastbourne.

2.9 Communication and engagement will be key to ensuring that staff, partners and the wider community and other stakeholders are kept informed about these changes in a timely way. We will work with our partner Councils on developing an engagement plan to this end. As can be seen in Appendix 2, this is an area that government have asked for information on as part of the Interim Plan submission.

2.10 There are no immediate financial implications associated with this report. The principal resource will be the officer time required to support the development of proposals for the establishment of a single tier authority for the East Sussex area. However, given all the other demands on capacity, the councils will continue to seek support from the Government as indicated would be available.

2.11 There will be costs of change, these will be modelled to be included in the full proposal. Evidence from authorities that have been through LGR would indicate a minimum financial cost of

£25m prior to the benefits of LGR being realised in the medium to longer term. This will present a challenge for all councils. For East Sussex County Council, given the pressures within Adult's and Children's Social Care, plus reducing reserves, we will need to explore carefully, the options available to fund the transition to a new council.

2.12 The new council will continue to face the financial challenges around social care, plus homelessness/temporary accommodation, from its inception in 2028/29. The interim plan highlights the issue of the financial viability and robustness of the new council will be a key consideration.

2.13 As this work progresses consideration will have to be given as to how this programme will be managed, to oversee the multiple and complex workstreams required to deliver the move to a unitary authority in the prescribed timescales. As part of that work, a risk log will be established to ensure full and ongoing assessment, and management of risk. Member involvement will be crucial through the Scrutiny (including working groups), Governance and Audit Committees, together with meetings of Group Leaders and Whole Council Forums.

3 Conclusion and reason for recommendations.

3.1 The Government has issued a statutory invitation for proposals for a single tier of local government across East Sussex by 26 September 2025. In doing so it has issued guidance to which the Councils have to have due regard. The Government has adopted a staged process, the first being that the Councils have to submit an interim plan by 21 March 2025 which sets out our progress on developing proposals in line with the criteria and guidance. The plan at Appendix 2 has been developed jointly with the Districts and Boroughs and is consistent with the Government's guidance. It is important to note that this interim plan, is not the proposal, but a document setting out progress. There is a very significant amount of work and engagement that has to be undertaken to develop a proposal by the ambitious deadline that has been set by Government.

BECKY SHAW
Chief Executive

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Background papers
English Devolution White Paper - GOV.UK