

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

Contact officer:
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Local Member:
All

Background papers
English Devolution White Paper - GOV.UK



**Ministry of Housing,
Communities &
Local Government**

Jim McMahon OBE MP

*Minister of State for Local Government and
English Devolution*
2 Marsham Street
London
SW1P 4DF

Your reference:

Our reference:

To: Leaders of two-tier councils and
unitary council in East Sussex

East Sussex County Council
Eastbourne Borough Council
Hastings Borough Council
Lewes District Council
Rother District Council
Wealden District Council
Brighton and Hove City Council

5 February 2025

Dear Leaders

This Government has been clear on our vision for simpler, more sustainable, local government structures, alongside a transfer of power out of Westminster through devolution. We know that councils of all political stripes are in crisis after a decade of decline and instability. Indeed, a record number of councils asked the government for support this year to help them set their budgets.

This new government will not waste this opportunity to build empowered, simplified, resilient and sustainable local government for your area that will increase value for money for council taxpayers. Local leaders are central to our mission to deliver change for hard-working people in every corner of the country through our Plan for Change, and our councils are doing everything they can to stay afloat and provide for their communities day in, day out. The Government will work closely with you to deliver these aims to the most ambitious timeline.

I am writing to you now to formally invite you to work with other council leaders in your area to develop a proposal for local government reorganisation, and to set out further detail on the criteria, guidance for the development of proposals, and the timeline for this process. A formal invitation with guidance for the development of your proposals is attached at Annex A. This invitation sets out the criteria against which proposals will be assessed.

Developing proposals for reorganisation

We expect there to be different views on the best structures for an area, and indeed there may be merits to a variety of approaches. Nevertheless, it is not in council taxpayers' interest to devote public funds and your valuable time and effort into the development of multiple proposals which unnecessarily fragment services, compete against one another, require lengthy implementation periods or which do not sufficiently address local interests and identities.

The public will rightly expect us to deliver on our shared responsibility to design and implement the best local government structures for efficient and high-quality public service delivery. We therefore expect local leaders to work collaboratively and proactively, including by sharing information, to develop robust and sustainable unitary proposals that are in the best interests of the whole area to which this invitation is issued, rather than developing competing proposals.

This will mean making every effort to work together to develop and jointly submit one proposal for unitary local government across the whole of your area. The proposal that is developed for the whole of your area may be for one or more new unitary councils and should be complementary to devolution plans. It is open to you to explore options with neighbouring councils in addition to those included in this invitation, particularly where this helps those councils to address concerns about their sustainability or limitations arising from their size or boundaries or where you are working together across a wider geography within a strategic authority.

I understand there will be some cases when it is not possible for all councils in an area to jointly develop and submit a proposal, despite their best efforts. This will not be a barrier to progress, and the Government will consider any suitable proposals submitted by the relevant local authorities.

Supporting places through change

It is essential that councils continue to deliver their business-as-usual services and duties, which remain unchanged until reorganisation is complete. This includes progress towards the Government's ambition of universal coverage of up-to-date local plans as quickly as possible. To support with capacity, I intend to provide some funds for preparing to take forward any proposal, and I will share further information later in the process.

Considering the efficiencies that are possible through reorganisation, we expect that areas will be able to meet transition costs over time from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.

The default position is that assets and liabilities remain locally managed by councils, but we acknowledge that there are exceptional circumstances where there has been failure linked to capital practices. Where that is the case, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation, and Commissioners should be engaged in these discussions. We will continue to discuss the approach that is proposed with the area.

I welcome the partnership approach that is being taken across the sector to respond to the ambitious plans set out in the White Paper. My department will continue to work closely with the Local Government Association (LGA), the District Councils Network, the County Councils Network and other local government partners to plan how best to support councils through this process. We envisage that practical support will be needed to understand and address the key thematic issues that will arise through reorganisation, including managing service impacts and opportunities for the workforce, digital and IT systems, and leadership support.

Timelines and next steps for interim plans and full proposals

We ask for an interim plan to be submitted on or before 21 March 2025, in line with the guidance set out in the attached Annex. My officials will provide feedback on your plan to help support you to develop final proposals.

As your area has been successful in joining the Devolution Priority Programme, we will be working with you toward an election for the Mayor of the Strategic Authority in May 2026. To help manage these demands, I have decided to make legislation to postpone the local elections in your area from May 2025 to May 2026. My department will work with your area to take forward both devolution and reorganisation to the most ambitious timeline possible. Government will be consulting across your area in February and March on the benefits that devolution will bring, and to allow sufficient time for you to also carry out engagement necessary to develop robust and evidenced unitary proposals, I will expect any full proposal to be submitted **by 26 September**. If I decide to implement any proposal, and the necessary legislation is agreed by Parliament, we will work with you to move to elections to new 'shadow' unitary councils as soon as possible as is the usual arrangement in the process of local government reorganisation.

Following submission, I will consider any and all proposals carefully before taking decisions on how to proceed. My officials are available throughout to discuss how your reorganisation and devolution aspirations might work together and what support you think you might need to proceed.

This is a once in a generation opportunity to work together to put local government in your area on a more sustainable footing, creating simpler structures for your area that will deliver the services that local people and businesses need and deserve. As set out in the White Paper, my commitment is that clear leadership locally will be met with an active partner nationally.

I am copying this letter to council Chief Executives. I am also copying this letter to local Members of Parliament, and the Police and Crime Commissioner.

Yours sincerely,



JIM MCMAHON OBE MP

Minister of State for Local Government and English Devolution

LOCAL GOVERNMENT AND PUBLIC INVOLVEMENT IN HEALTH ACT 2007

INVITATION FOR PROPOSALS FOR A SINGLE TIER OF LOCAL GOVERNMENT

The Secretary of State for Housing, Communities and Local Government, in exercise of his powers under Part 1 of the Local Government and Public Involvement in Health Act 2007 ('the 2007 Act'), hereby invites any principal authority in the area of the county of East Sussex, to submit a proposal for a single tier of local government.

This may be one of the following types of proposal as set out in the 2007 Act:

- Type A – a single tier of local authority covering the whole of the county concerned
- Type B – a single tier of local authority covering an area that is currently a district, or two or more districts
- Type C – a single tier of local authority covering the whole of the county concerned, or one or more districts in the county; and one or more relevant adjoining areas
- Combined proposal – a proposal that consists of two or more Type B proposals, two or more Type C proposals, or one or more Type B proposals and one or more Type C proposals.

Proposals must be submitted in accordance with paragraphs 1 to 3:

1. Any proposal must be made by **26 September 2025**.
2. In responding to this invitation an authority must have regard to the guidance from the Secretary of State set out in the Schedule to this invitation, and to any further guidance on responding to this invitation received from the Secretary of State.
3. An authority responding to this invitation may either make its own proposal or make a proposal jointly with any of the other authorities invited to respond.

Signed on behalf of the Secretary of State for Housing, Communities and Local Government.



F KIRWAN

A senior civil servant in the Ministry of Housing, Communities and Local Government

5 February 2025

SCHEDULE

Guidance from the Secretary of State for proposals for unitary local government.

Criteria for unitary local government

- 1. A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.**
 - a) Proposals should be for sensible economic areas, with an appropriate tax base which does not create an undue advantage or disadvantage for one part of the area.
 - b) Proposals should be for a sensible geography which will help to increase housing supply and meet local needs.
 - c) Proposals should be supported by robust evidence and analysis and include an explanation of the outcomes it is expected to achieve, including evidence of estimated costs/benefits and local engagement.
 - d) Proposals should describe clearly the single tier local government structures it is putting forward for the whole of the area, and explain how, if implemented, these are expected to achieve the outcomes described.

- 2. Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.**
 - a) As a guiding principle, new councils should aim for a population of 500,000 or more.
 - b) There may be certain scenarios in which this 500,000 figure does not make sense for an area, including on devolution, and this rationale should be set out in a proposal.
 - c) Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money.
 - d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.
 - e) For areas covering councils that are in Best Value intervention and/or in receipt of Exceptional Financial Support, proposals must additionally demonstrate how reorganisation may contribute to putting local government in the area as a whole on a firmer footing and what area-specific arrangements may be necessary to make new structures viable.
 - f) In general, as with previous restructures, there is no proposal for council debt to be addressed centrally or written off as part of reorganisation. For areas where there are exceptional circumstances where there has been failure linked to capital practices, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation.

3. Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.

- a) Proposals should show how new structures will improve local government and service delivery, and should avoid unnecessary fragmentation of services.
- b) Opportunities to deliver public service reform should be identified, including where they will lead to better value for money.
- c) Consideration should be given to the impacts for crucial services such as social care, children's services, SEND and homelessness, and for wider public services including for public safety.

4. Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views.

- a) It is for councils to decide how best to engage locally in a meaningful and constructive way and this engagement activity should be evidenced in your proposal.
- b) Proposals should consider issues of local identity and cultural and historic importance.
- c) Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed.

5. New unitary structures must support devolution arrangements.

- a) Proposals will need to consider and set out for areas where there is already a Combined Authority (CA) or a Combined County Authority (CCA) established or a decision has been taken by Government to work with the area to establish one, how that institution and its governance arrangements will need to change to continue to function effectively; and set out clearly (where applicable) whether this proposal is supported by the CA/CCA /Mayor.
- b) Where no CA or CCA is already established or agreed then the proposal should set out how it will help unlock devolution.
- c) Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities.

6. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

- a) Proposals will need to explain plans to make sure that communities are engaged.
- b) Where there are already arrangements in place it should be explained how these will enable strong community engagement.

Developing proposals for unitary local government

The following matters should be taken into account in formulating a proposal:

Boundary Changes

- a) Existing district areas should be considered the building blocks for your proposals, but where there is a strong justification more complex boundary changes will be considered.
- b) There will need to be a strong public services and financial sustainability related justification for any proposals that involve boundary changes, or that affect wider public services, such as fire and rescue authorities, due to the likely additional costs and complexities of implementation.

Engagement and consultation on reorganisation

- a) We expect local leaders to work collaboratively and proactively, including by sharing information, to develop robust and sustainable unitary proposals that are in the best interests of the whole area to which this invitation is issued, rather than developing competing proposals.
- b) For those areas where Commissioners have been appointed by the Secretary of State as part of the Best Value Intervention, their input will be important in the development of robust unitary proposals.
- c) We also expect local leaders to engage their Members of Parliament, and to ensure there is wide engagement with local partners and stakeholders, residents, workforce and their representatives, and businesses on a proposal.
- d) The engagement that is undertaken should both inform the development of robust proposals and should also build a shared understanding of the improvements you expect to deliver through reorganisation.
- e) The views of other public sector providers will be crucial to understanding the best way to structure local government in your area. This will include the relevant Mayor (if you already have one), Integrated Care Board, Police (Fire) and Crime Commissioner, Fire and Rescue Authority, local Higher Education and Further Education providers, National Park Authorities, and the voluntary and third sector.
- f) Once a proposal has been submitted it will be for the Government to decide on taking a proposal forward and to consult as required by statute. This will be a completely separate process to any consultation undertaken on mayoral devolution in an area, which will be undertaken in some areas early this year, in parallel with this invitation.

Interim plans

An interim plan should be provided to Government on or before **21 March 2025**. This should set out your progress on developing proposals in line with the criteria and guidance. The level of detail that is possible at this stage may vary from place to place but the expectation is that one interim plan is jointly submitted by all councils in the area. It may be the case that the interim plan describes more than one potential proposal for your area, if there is more than one option under consideration. The interim plan should:

- a) identify any barriers or challenges where further clarity or support would be helpful.
- b) identify the likely options for the size and boundaries of new councils that will offer the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities.
- c) include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities.
- d) include early views as to the councillor numbers that will ensure both effective democratic representation for all parts of the area, and also effective governance and decision-making arrangements which will balance the unique needs of your cities, towns, rural and coastal areas, in line with the Local Government Boundary Commission for England guidance.
- e) include early views on how new structures will support devolution ambitions.
- f) include a summary of local engagement that has been undertaken and any views expressed, along with your further plans for wide local engagement to help shape your developing proposals.
- g) set out indicative costs of preparing proposals and standing up an implementation team as well as any arrangements proposed to coordinate potential capacity funding across the area.
- h) set out any voluntary arrangements that have been agreed to keep all councils involved in discussions as this work moves forward and to help balance the decisions needed now to maintain service delivery and ensure value for money for council taxpayers, with those key decisions that will affect the future success of any new councils in the area.

East Sussex Local Government Reorganisation Interim Plan

| Section 1: Interim Plan key information | |
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| Please state which county area this Interim Plan is submitted in relation to: | East Sussex |
| Is this interim plan jointly submitted by all councils in the relevant area? Please state the councils who have supported this joint submission. | This is a jointly submitted plan by: East Sussex County Council Eastbourne Borough Council Hastings Borough Council Lewes District Council Rother District Council Wealden District Council |
| What proposal does this interim plan put forward: | An agreed proposal for unitary(s) within the existing County boundary. The proposals will be developed in accordance with the final criteria set out by Government. |
| If the interim plan covers a single proposal please clearly identify how many unitary authorities are proposed for the area. | Given current govt guidelines we submit an interim plan working towards proposals for a single unitary based on existing county boundaries, subject to further development of the evidence base and any change in the population criteria, and public consultation. We do remain open, at this point, to alternative options should the government indicate flexibility in the current criteria, or if residents demonstrate a clear desire for us to consider an alternative configuration. |

Please provide any details of voluntary arrangements that have been agreed to keep all councils involved in discussions as this work moves forward and to help balance the decisions needed now to maintain service delivery and ensure value for money for council taxpayers, with those key decisions that will affect the future success of any new councils in the area.

This is a joint endeavour in which all Councils have a shared ambition to work collaboratively to co-design the new unitary authority/s, whilst acknowledging and respecting the corporate roles, responsibilities and risks of the current authorities. Through our current structure, there is a well-established history of partnership working across East Sussex. Existing partnership working arrangements are many and varied. Reorganisation provides the opportunity to build upon these and develop best practice with the potential to evolve place-based co-located services. We have set up a joint governance structure to support the development of our proposals that includes representation from all six councils; this includes an executive board of Leaders of the councils (chaired by Cllr Nicholson, Leader of Lewes DC), a Chief Executives board and specialist working groups.

We have set out key principles that will shape our work as we go forward to develop a coherent new structure for local government across Sussex which:

1. Improves outcomes for residents and communities
2. Maximises and makes best use of resources now and for the future
3. Is Member led and developed in collaboration with a range of stakeholders, including public sector partners, business and VCSE
4. Supports the staff in all councils as they are crucial to delivery during transition and beyond
5. Enhances local democracy, local identity, transparency, accessibility, local decision making and accountability (including through scrutiny)
6. Supports and drives decision making and public service reform at both Sussex and local level
7. Provides a stronger and unified voice to help attract investment and tackle priorities

Our agreed approach is that:

1. This is a joint endeavour in which all Councils have a shared ambition to work collaboratively to co-design the new unitary authority, whilst acknowledging and respecting the corporate roles, responsibilities and risks of the current authorities
2. We will work together to deliver proposals which are in the best interests of the whole area
3. We will be evidence led
4. We will learn from others' experiences of Local Government Reorganisation and Devolution

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| | <ol style="list-style-type: none"> 5. Decisions made by all sovereign bodies until vesting day will have the interests of the future Council as an explicit consideration 6. There will be full transparency over resources including transition funding and agreed allocations reflecting costs incurred 7. There is a commitment to appropriate levels for decision making, engagement and local member roles including in non parished areas 8. There is a commitment to robust scrutiny arrangements in transition/formation and beyond 9. A comprehensive workforce plan to provide maximum stability is to be created as a priority 10. Subject to further clarification from government on the criteria and implementation timescales, we have agreed a working assumption that the date for creation of a new shadow authority will be April 2027 with any new unitary Council(s) taking effect from April 2028 |
| <p>Has the area as a whole identified any barriers or challenges where further clarity or support would be helpful?</p> | <p>The councils are all committed to support the local government reorganisation agenda that the Government has indicated it wishes to pursue. However, the scale of the challenge at a time of significant policy reform across a range of functions and the very significant financial challenged faced by all the constituent authorities is a significant risk in terms of delivering a sustainable and effective organisation, whilst continuing to deliver critical services. Growth in need and demand for statutory services such as adult social care, children’s social care, SEND and housing/homelessness has increased over the last few years at the same time that costs have risen, which has meant we have had to take difficult financial decisions in order to balance our budgets. We have insufficient reserves available across the councils to be able to offset the set-up costs of a new unitary authority and are concerned about the impact on our communities if we need to use our service budgets to fund these costs. The experiences of merging the back-office functions of Lewes District Council and Eastbourne Borough Council and have shown that it can take several years for the full financial benefits to be realised, which is likely to leave us with a challenging short-term position.</p> <p>We are keen to move at pace to ensure that our residents and businesses benefit from the improved outcomes, we expect the new unitary to deliver. This interim plan is predicated on our understanding of the criteria set out in the statutory invitation. Should the government signal some flexibility in the current criteria we may wish to consult our residents on their views about</p> |

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| | <p>alternative options. That being said, the scale and timescales for this work remain very challenging, particularly when set against other financial, policy and legislative changes to which we also need to respond and the need to continue delivery services. There are a number of things it would be helpful to receive from the Government.</p> <ul style="list-style-type: none"> • Capacity funding support - the specific need is being worked on and we will need the Government to fully fund the costs. • Clarity about the application of criteria - including the population threshold. It is imperative that the framework is clear so local and national time, leadership capacity and effort is not wasted. • Speed of decision making - we all want and need to do the work at pace, it is in the interests of our residents that we do so but it will need a matching commitment from the Government to operate at pace, make decisions and provide timely feedback. • Effective and joined up discussions with government departments as well as MHCLG. Streamlined and joined-up access to the right people especially so there is consistency with advice being given to other authorities on the DPP. • Temporary protection from any negative impacts of the Government’s proposed funding reforms. Our ability to manage negative financial adjustments which flow from any new distribution methodology will be severely limited. We would also welcome early discussions on the amount of the grant funding each council would receive on day one to assist with early financial planning. |
| <p>Please provide details of any arrangements proposed to coordinate potential capacity funding across the area.</p> | <p>The Councils are committed to the principles and ways of working detailed above and will use existing governance structures for the work on our proposal to make best use of existing capacity. As described below detailed work on the programme and project management, workstreams and funding will be the next phase of our work.</p> |

The Interim Proposal: The establishment of one unitary authority (subject to the caveats on page xy and z)

Section 2: Geography and improvements to local government

Please set out the following key information and any supporting evidence in relation to the proposal you intend to put forward. In providing any information and supporting evidence, please clearly identify how the proposal meets relevant aspects of the statutory guidance and criteria for unitary local government contained in the schedule of the invitation for local government reorganisation.

1. What are the size and boundaries of new councils being considered or proposed:

Given current govt guidelines we submit an interim plan working towards proposals for a single unitary based on existing county boundaries, subject to further development of the evidence base and any change in the population criteria, and public consultation. We are working on an assumption that the population of East Sussex is 555,500, above the 500,000 threshold is considered large enough to achieve efficiencies, improve capacity and withstand normal financial shocks according to the Government's criteria. By using our existing boundaries as the building blocks for a new unitary we will be able to respect and preserve local identities while realising the operational benefits of a larger authority. The county of East Sussex is a historic administrative unit, which means that there is a strong identity with the county amongst residents. The six councils have established working relationships, using our local partnerships to deliver improved outcomes for our communities. This provides an ideal foundation for the formation of a new unitary council.

We do remain open, at this point, to alternative options should the government indicate flexibility in the current criteria, or if residents demonstrate a clear desire for us to consider an alternative configuration.

2. How do options or potential proposals offer the best structures for delivery of high-quality and sustainable public services across the area.

This interim proposal has the advantage of being the least disruptive, both to existing services and to joint working with partners, recognising that this is at a time when the public sector is under significant pressure as a result of increased cost of and demand for support from our local communities. This approach would create less disruption to key statutory services such as adult social care, children's social care and education which already operate on an East Sussex footprint. As a result, more

energy could be invested in exploring opportunities for a better place-based operating model that would also offer greater flexibility and resilience for other services such as housing.

Many existing services are shared across part of or the whole area, for example the successful Joint Waste Partnership, Building Control Partnership, Procurement Hub and even the coming together of Lewes and Eastbourne councils. We can take learnings from these approaches and apply them to other areas of service delivery, in particular better integration with current County Council functions, to build a more resilient and streamlined new Council.

The Sussex Integrated Care System uses the East Sussex footprint for its strategic place-based planning, which means that the proposal would also provide continuity for work on health and care integration. The area has significant pockets of deprivation, with Hastings having some of the most deprived neighbourhoods in the country. By joining together, we can better target our resources to enable our most deprived areas to flourish and to contribute to the wealth of the whole county and ensure long term financial stability.

There are a number of partnership boards focused on delivering on an East Sussex footprint that draw on our strong relationships between the private sector, public sector, VCSE sector and academia, including Team East Sussex, the Environment Board, East Sussex Children and Young People's Trust and East Sussex Safer Communities. A new unitary council would have the opportunity to develop these existing relationships to drive forward change. Existing partnership working has already identified some priorities for our local area, which we will draw upon in our work to shape the work of the new unitary and our joint working with other Sussex authorities and the new MCCA.

We have a strong local voluntary, community and social enterprise (VCSE) sector. The East Sussex VCSE Alliance was founded in 2021 to support and strengthen existing joint working between organisations working in East Sussex. The East Sussex VCSE Alliance includes the three Voluntary Actions for the county: Rother Voluntary Action, Hastings Voluntary Action and 3VA which covers Lewes, Eastbourne and Wealden. Our strong VCSE sector has helped support our communities through difficult times, helping to improve resilience and improve connectivity. Continuing to work on an East Sussex footprint would provide stability and allow us to maximise the benefits of these longstanding and highly valued relationships.

We would use the opportunity to harness community engagement, building on existing models of community-based working, set up to provide support during the pandemic, embracing broader community engagement practices. This will enable us to ensure that support continues to be tailored to local needs, reflecting the different strengths and challenges faced by our communities across the county and strengthening the economic, social and environmental resilience of our communities.

3. What are the indicative efficiency savings opportunities for the options or potential proposals:

The six councils are very ambitious about significantly improving the way residents, communities and businesses are served by the new council by taking a more holistic approach of the needs and assets. As we work up the proposal, high level work will be undertaken to identify potential areas for service redesign and the associated costs and savings. This fundamental redesign will make an important contribution to increased efficiency and value for money. Examples of this will include alignment of commissioning and procurement activity relating to both services and systems. We will actively seek out opportunities where there are new synergies, including in line with the Procurement Act 2023, to support our long-term goals in the run up to vesting day. Some of our most significant contracts in terms of cost have longer durations, so it will take time for these to be aligned.

Locality based working is a key part of our shared ethos and we want to ensure that residents will be able to access readily the services that matter to them, especially given the issues with transport connectivity in the county. As the proposal is developed an initial assessment will be undertaken of the potential for the rationalisation of existing property assets and well as improving digital access to services. Community engagement approaches to service design will help us to get this right for residents and deliver as much value for money as possible in service delivery.

We will conduct an assessment of the potential value of savings as we refine our proposal for the new unitary council. councils have a strong track record of streamlining some back-office functions and maximising the productivity of teams through shared services arrangements. Further work will be undertaken to understand which approaches might provide the best long-term models for the new unitary council.

The greatest impact on our communities is likely to be from the greater opportunities for providing holistic support for individuals and families with multiple needs, and for neighbourhoods that the unitary model provides. We know how crucial it is to provide the right support at the right time to improve outcomes for those people who need our support, and that this way of working provides best value for money.

We will embrace the opportunity to deliver savings as we develop new ways of working, however it is very unlikely that this process will deliver sufficient savings, particularly in the short term, to address the gap between the level of funding received by the area and the cost of meeting the needs of our local population.

4. What are the indicative costs and arrangements in relation to any options including planning for future service

transformation opportunities?

An early indicative estimation of our transition costs is some £30-35 million, based purely at this stage on the experience of other councils undertaking similar exercises. Further work will be done to bring forward actual costs for our full submission in the autumn covering areas which include:

- Community engagement
- IT system consolidation and cybersecurity
- Staff reorganisation costs (including transition resource)
- Legal and governance restructuring
- Investment required to achieve effective service redesign to release efficiencies

There is not the ability to fund this from existing Council budgets, funding from Government will be required. Eastbourne Borough Council has received Exceptional Financial Support to balance its budgets as a result of rising levels of homelessness and spiralling costs associated with temporary accommodation placements. East Sussex County Council's budget report for 2025/26 states that unless it receives a significant and permanent increase in funding for 2026/27 it will need to consider applying for Exceptional Financial Support.

Engagement with our communities both on what and how the council delivers will be critical to creating new ways of working which reflect what matters most to residents and business. As we develop our proposal we will identify the workstreams required to redesign local support systems with partners to ensure that the new unitary council is as efficient and effective as possible. Our customers will be at the centre of service redesign under these workstreams and this will afford the opportunity to review and revisit local needs; empowering, co-designing and producing services that best meet local needs.

There are a large number of systems that will require alignment across key statutory front-line services such as Revenues and Benefits, Environmental Health, housing, planning and waste. Similarly significant work will be required to align back-office systems across HR, Finance, Legal, Property and Member Services. We will seek to unlock the full potential of agile working and advanced technology. We are keen to use AI and data analytics to improve service delivery and predict future demand, following the many examples of best practice being developed by councils in these areas. However, we recognise that there are differing levels of digital and data maturity across the councils and that it would take significant investment to put in place the infrastructure needed to match the capabilities of councils leading in these fields, such as Essex County Council. We

also remain alive to the risks of digital exclusion.

We will work with the Government and local partners to look at what system level and public service reform changes can be accelerated to improve outcomes for our residents and businesses as we shape new ways of working. We recognise that delivering the greatest improvements for the people we serve requires wider public sector reform.

Section 3: Democracy & Devolution

Please set out the following key information and any supporting evidence in relation to the proposal you intend to put forward. In providing any information and supporting evidence, please clearly identify how the proposal meets relevant aspects of the statutory guidance and criteria for unitary local government contained in the schedule of the invitation for local government reorganisation.

- 1. Please provide a summary of local engagement that has been undertaken and any views expressed on an option or proposal, along with your further plans for wide local engagement to help shape your developing proposals.***

Local engagement will be one of the critical aspects of development of the proposal for a new unitary council. We want to ensure that residents and other stakeholders are effectively engaged in the development, transition and transformation process, so that a new authority is supported, in its direction and ambition. We will make a strong commitment to wide engagement across our communities, workforce, partners and other stakeholders throughout the process. A detailed communications strategy will focus our work to keep all stakeholders informed and involved as we develop the proposal and plan, design and implement changes.

We recognise that broad and meaningful engagement is essential for establishing the identity, vision and values of a new unitary council in East Sussex. Engagement will also influence the development of the future culture and behaviours the new organisation. The voices of our residents, communities, workforce and partners will inform all stages of our transition and transformation programmes.

We have, already begun conversations with the key stakeholders and partner agencies who work closely with us across East Sussex and will continue to do so as we go forward. These have included:

Preliminary discussions have been held at several existing East Sussex partnership groups such as Culture East Sussex and Developers East Sussex. These boards are already working within our new council geography so are supportive of the direction of travel for the unitary.

Briefings have been held with representatives from the East Sussex Association of Local Councils. Much of the discussion with town and parish councils have been positive however there is concern about local representation amongst town and parish councillors which will need particular attention in an engagement strategy for transition.

Discussions taken place with local chambers of commerce and other business community representatives to make them aware of how the changes may impact on them.

Effective engagement and collaboration will shape the identity, vision, and values of the new council. By involving residents, partners, staff, the voluntary and community sector, town and parish councils, and businesses, we aim to develop a proposal for, and build, a council that truly reflects the needs and aspirations of the East Sussex community. Residents and service users, including young people, want a structure of local government that reduces cost and duplication of activity, improves efficiency, integrates high-quality services, increases community involvement and offers best value for money.

Engaging with the public therefore will be at the heart of developing the proposal. We will offer residents comprehensive information utilising newsletters, local newspapers and online tools and then provide public meetings and workshops with opportunities for residents to voice their opinions and contribute to the decision-making process. Online platforms, including social media and dedicated forums, will offer additional avenues for feedback and discussion. Our goal is to take a customer/citizen first approach to ensure that every citizen of East Sussex, regardless of background or ability, has the chance to participate and be heard.

We know from early engagement with some of our partners that there is a broad commitment to the benefits of a single unitary model. It represents minimal disruption to existing high-quality services and allows the creation of stronger, simpler and more effective partnerships with many other partner organisations, including the South Downs National Park, Sussex Police and Fire & Rescue as well as devolved Government agencies such as the Environment Agency, and our local integrated care system.

Continued collaboration with key partners and involvement in the development of the proposal is essential for the success of the new council. We will work closely with NHS Sussex, our local educational institutions, the South Downs National Park Authority, High Weald National Landscape Partnership and other public sector partners to ensure seamless service delivery. Regular communication and joint initiatives will strengthen these partnerships, fostering a collaborative environment that benefits the entire community. By sharing information and resources, we can develop robust and sustainable proposals that address local needs and priorities.

A significant proportion of our staff live in East Sussex and are part of the communities they serve; they can therefore provide a unique insight as both provider and recipients of council services. The proposal will set out how any transition to a new unitary council will be managed with the utmost care and consideration for our staff, and how detailed transition plan will be developed and implemented, ensuring that staff are supported throughout the process. We will engage with trade unions to

address any concerns and provide training and development programs to help staff adapt to new roles and responsibilities. Support mechanisms, including counselling and career advice, will be available to assist staff during this period of change.

The voluntary and community sector plays a vital role in the fabric of East Sussex. VCSE organisations will play a role in the development of the proposal, we will engage with them to define their role within the new council and explore opportunities for collaboration. Support and funding mechanisms will be established to ensure these organisations can continue their valuable work. By working together, we can enhance the services provided to our residents and build a stronger, more resilient community.

Town and parish councils are integral to hyper local delivery of services. We will develop a comprehensive engagement plan to involve these councils in the development of the proposal, which will also set out how they would be involved in the transition process. Clear roles and responsibilities will be defined, and support and resources will be provided to help them adapt to the new structure. Regular communication channels will be established to ensure ongoing collaboration and information sharing.

Local businesses are key to the economic vitality of East Sussex. Our engagement strategy will include consultations with business leaders to understand their needs and priorities. We will implement economic development initiatives to support local businesses and provide services such as grants and advisory support. By fostering strong partnerships with the business community, we can drive economic growth and create a thriving local economy.

2. Early views as to the councillor numbers of each new unitary authority that will ensure both effective democratic representation for all parts of the area.

We have reviewed the models in place across existing county unitary councils with similar geographic characteristics as well as the outcomes from recent Local Government Boundary Commission for England reviews. We are assessing different models that would enable councillors to continue to engage effectively with local communities and partners and dedicate sufficient time to their case work. The ratios of 4,000 - 5,000 electors per councillor (similar to the models being applied in North Yorkshire, Cornwall, Somerset and County Durham) are being carefully reviewed.

We have a mixture of sparsely populated rural areas, market towns and continuous urban development along the coastal strip, each of which comes with its own challenges in terms of case work. The county council currently has 50 single councillor divisions representing an electorate of just under 420,000. There are currently 183 councillors across 108 wards at lower tier authority level with between 1-3 councillors per ward.

Recent LGA corporate peer reviews have been complimentary about the support provided to councillors across the councils in East Sussex and we would look to build on this work and learning from other county unitary areas to ensure councillors are fully equipped to provide effective support to their local communities.

3. How the proposal will ensure effective governance and decision-making arrangements which will balance the unique needs of your cities, towns, rural and coastal areas, in line with the Local Government Boundary Commission for England guidance.

The governance and decision-making arrangements would be an evolution of our existing models which are designed to balance the needs of our towns, rural and coastal areas. Our local area currently has 85 parishes and 12 towns and we want to ensure that the new unitary council maintains the existing relationships with our parish and town councils and this has influenced our early views on councillor numbers. It should also be noted that the currently non-parished areas of Eastbourne and Hastings are also giving active consideration to the introduction of town councils which would ensure all parts of the county would benefit from democratic representation at that level.

We will seek to build upon existing ways of working within our councils, such as community budgeting, and will build on learning from other councils that have recently made this transition including North Yorkshire, Wiltshire, Buckinghamshire and Somerset. This includes exploring options such as area committees that have been used successfully elsewhere to ensure that the distinct needs of our district and borough areas are met.

4. Early views on how the proposal will ensure new structures will support devolution ambitions.

We would seek to build on our strong foundations, using our track record of working together to drive growth and prosperity through a stronger and unified voice whilst tackling shared challenges. With our partners across Sussex we will gain a strengthened regional and national voice to enhance partnerships across the public, private and voluntary sectors committed to improving outcomes for everyone. We will work closely with the incoming Mayor and our partners across Sussex (and beyond) to deliver the benefits of devolution alongside Local Government Reorganisation - including transport and local infrastructure; skills and employment support; housing and strategic planning; economic development and regeneration;

environment and climate change; health, wellbeing, and public service reform; and public safety.

The new unitary council will have a clear vision and take a local strengths-based approach to meeting the Government's missions. Working with the Mayoral County Combined Authority we will build on the strengths of our communities and places, to maximise opportunities for inward investment, economic growth and innovative new solutions to our deep-rooted socio-economic challenges. We have a wealth of evidence about the needs and strengths of our communities and places, which can be used to support this work, such as our Local Skills Improvement Plan and Joint Strategic Needs Assessment programme. By consulting with our communities, we will be able to grow this evidence base and use our understanding of what matters to residents to shape the way in which a new unitary will support their needs. The county boundary aligns to established economic geographies and the UK's statistical framework for regional and local data (NUTS3), preserving this footprint will allow us to continue to track progress on improvements to outcomes over time.

Our existing partnerships such as Team East Sussex, our local economic partnership, are well-established and have worked together to deliver strategic improvement programmes for many years. As a new unitary council would provide both continuity and the opportunity to strengthen these partnerships, we would be able to use these to support local delivery of the MCCA's work programme.

It should be noted that the size of the proposed unitary council, represents just under a third of the population of Sussex, which should help support the aim of achieving balance between the size of council areas within the Sussex Mayoral County Combined Authority.

Section 4: Implementation preparation and planning

Please set out the following key information and any supporting evidence in relation to the proposal you intend to put forward. In providing any information and supporting evidence, please clearly identify how the proposal meets relevant aspects of the statutory guidance and criteria for unitary local government contained in the schedule of the invitation for local government reorganisation.

1. Please provide any indicative costs of preparing proposals and standing up an implementation team.

Where possible we would seek to use the skills and knowledge of our existing staff to help prepare proposals and support the implementation. However, the level of work in developing a proposal and delivering a transformation programme of this scale will not be able to be achieved from existing capacity, which is already stretched. It will also be necessary to draw on specialist expertise, at particular points, with experience of similar projects to ensure successful delivery in the current projected timeframes. This clearly not a business as usual activity in terms of capacity or available in house expertise, and the programme will carry significant risk. Where staff are used these roles will need to be backfilled to ensure the continuation of service delivery. Given the number of potential workstreams that we have identified, and the complexities involved we will probably look to set up a joint specialist PMO to help support key activities. In particular, given our focus on community engagement and prevention, we will need to ensure there is sufficient resource to fully work with our communities and partners throughout the process.

Recognising that previous unitary journeys were under a different framework, we have reviewed the programme support teams put in place in the past by other authorities to do similar work and will use these to inform what we require, and the costs associated with this.

Section 5: Other supporting material

In providing any further information and supporting evidence, please clearly identify how the proposal meets relevant aspects of the statutory guidance and criteria for unitary local government contained in the schedule of the invitation for local government reorganisation.

This plan has been approved by each relevant authority.

- East Sussex County Council: Cabinet decision on 20th March 2025
- Lewes District Council: Cabinet decision on 20th March 2025
- Eastbourne Borough Council: Cabinet decision 19th March 2025
- Hastings Borough Council: Full Council decision on 19th March 2025
- Rother District Council: Cabinet decision on 19th March 2025
- Wealden District Council: Cabinet decision on 18th March 2025

Ahead of these most recent meetings, there have also been a number of earlier Council meetings across the county to discuss the English Devolution White Paper and its implications, including:

East Sussex County Council

- 9 January 2025 - Cabinet report: [Local Government Devolution and Reorganisation](#)

Lewes District Council

- 6 February 2025 - Cabinet report: [Devolution and Local Government Reorganisation](#)

Eastbourne Borough Council

- 12 February 2025 - Cabinet report: [Devolution and Local Government Reorganisation](#)
- 14 February 2025 - Member briefing

Hastings Borough Council

- 6 January 2025 - Cabinet Report: [Devolution and Local Government Reorganisation](#).
- 28 January 2025 - Cabinet Report: [Devolution and Local Government Reorganisation - Update](#).
- 4 February 2025, 12 February 2025, 17 February 2025, 24 February 2025 - Member briefings

Rother District Council

- 6 February 2025 - Member briefing

Wealden District Council

- 7 January 2025 - Member briefing
- 4 February 2025 - Member briefing
- 12 February 2025 - Member briefing