

# West Sussex LGR Interim Submission

## 21 March 2025

Dear Minister,

We are writing to you as requested with an update on our interim plans for Local Government Reorganisation (LGR) in West Sussex.

We are pleased to be part of the priority programme for devolution and we are all committed to the opportunities which we believe that devolution will bring to the region. We are working closely together to develop plans which will maximise opportunities for growth as well as creating new unitaries which will offer the very best outcomes for our citizens. We are making good progress towards the planned September submission for which we are asking for some specific guidance to help us stay on that track.

You will note that these are options for the West Sussex footprint in line with the invitation letter you sent. We know from our discussions with Brighton and Hove that they are considering their options and while we acknowledge their need to make a decision as to what is best for the city, this does have a potentially material impact on West and/or East Sussex councils. Therefore, one of the questions we would like guidance on is whether Brighton & Hove will be compelled to grow or whether it can stay at its current size? Should Brighton & Hove stay the same size, there is an impact on the design of the Mayoral Combined Authority (MCA) and the need to have a balanced set of unitaries in order to have sensible representation.

The timing of any preference emerging from Brighton & Hove is critical to the pace at which West Sussex authorities can proceed and the shape of the proposal that will emerge. Representations are being made to ensure the implications of this dependency are understood whilst seeking to be respectful of Brighton & Hove's right to explore such options.

We would also note that Crawley is considering its options with respect to LGR in Surrey, something that we expect will be resolved by May 2025 but has meant that progress with options for West Sussex are dependent on this as well as the Brighton & Hove question. If Crawley is included in the Surrey submission then we will need guidance as to how this impacts our decision making and timetable.

We are keen to continue to engage with the department and the wider government and we look forward to your visit to the region where you will find out more about what makes Sussex so special.

Yours sincerely



Leader, Crawley Borough Council on behalf of all the West Sussex Leaders



## West Sussex councils' interim plan submission for Local Government Reorganisation (LGR)

West Sussex is making good progress with LGR and there are a number of areas where greater clarity would be welcome in order to help refine options and build consensus. No single model has yet been agreed on and the councils are working together to create a shared evidence base in order to better inform the process of identifying, forming and then deciding on the possible configurations.

We have kept an open dialogue with other councils across the wider Sussex area. We are aware of the work that councils in East Sussex have undertaken and their proposal of a single unitary for their county. We also note the emerging position of Brighton & Hove to remain a smaller unitary either in its current form or with marginal changes. We will work with partners to develop a sensible whole Sussex solution for September.

### **a) Identify any barriers or challenges where further clarity or support would be helpful.**

We would emphasise our commitment to LGR and the belief in the opportunities it presents for redesigning services to meet current and future community needs. However, proceeding at the required pace necessitates greater clarity to avoid costly and unproductive work and potential errors. As local and central governments redistribute powers and responsibilities, this clarity becomes even more crucial. We urgently need answers to the following questions in order to expedite this process.

1. While the 500K population size guide is clearly stated, there have been indications of significant flexibility in this number and this has led to confusion on whether this guideline is still applicable. It is imperative that the Government sets out the upper and lower population limits of acceptable Unitary proposals and the criteria by which they will be judged. This is material for West Sussex discussions. At 900K population West Sussex would be one of largest single unitaries in the country and guidance is needed as to whether there are upper and/or lower limits on size.
2. The development work in West Sussex has assumed that each sovereign body needs to develop proposals which are in the best interests of the places that they represent and not impose on other areas. In order to make progress the West Sussex councils are working with a set of assumptions for planning purposes. These are not intended to be definitive, but allow progress to be made while other areas reach agreement about their preferences. These assumptions are:

- a. Any changes to Brighton & Hove's footprint would be marginal (i.e. ward rather than district level) and do not need to affect the development of proposals for West Sussex which are outlined below
  - b. East Sussex have a strong preference to create a unitary based on their current county footprint
3. In order to make effective use of resources and most importantly attempt to mitigate the huge uncertainty that staff and residents are experiencing, clarity is needed with respect to the different timelines for various policy agendas as these have material effects on both financial resilience and organisational design. Specifically:
  - a. When can more clarity about the nature of the funding review be available; will the September business case be predicated on the future financial landscape or the current one?
  - b. What are your expectations with respect to the design of the MCA and new unitaries and the implementation of the new planning regime? Can you confirm that there is clarity on this in order to confidently design and cost these services for September?
  - c. The Devolution Bill is assumed to have a significant impact on this process, if this is the case what is the risk of considerable work being carried before September and then having to be revisited because of the impacts of the Bill?
4. We believe that the creation of unitaries which reflect our communities could entail some changes to district and borough boundaries, to reflect local communities.
  - a. Can you reassure us that the boundary commission and yourselves will have the resources available to be able to support this more complex process if we include these changes in our September submission?
  - b. If yes, what level of boundary changes will be acceptable and deliverable?
  - c. If the answer is no, please advise on the implications of us including these changes in our submission
5. Can you confirm how funding will flow with respect to this preparatory phase and into the implementation phase, will it be made available directly to all participants in the process?

**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.**

The position in Sussex is made complex by the need to take account of the needs of neighbouring areas and for the final proposals to support devolution arrangements. There are two related matters, one a dependency, that needs to be addressed prior to the final options for West Sussex to emerge:

1. Any requirement from the Government for the footprint of Brighton & Hove to expand in such a way that could affect either West or East Sussex. It is noted that Brighton & Hove are undertaking in-borough consultation on such proposals, specifically an expansion eastward or westward along the coast, or northwards following A23 connectivity. The timing of any preference emerging from Brighton & Hove is critical to the pace at which West Sussex authorities can proceed and the shape of the proposal that will emerge. Representations are being made to ensure that the implications of this dependency are understood whilst seeking to be respectful of Brighton & Hove's right to explore such options.
2. How Crawley best fits both the unitarisation and devolution agendas given the economic links to the north and in particular Reigate and Banstead. This £13.2bn economic functioning area at the heart of the Gatwick Diamond would be divided into two separate MCAs if based on traditional county boundaries. Given Surrey is on a unique trajectory, with its LGR proposals due by May 2025 (shadow elections in 2026), it seems likely this matter will be resolved relatively quickly.

Given these factors, and the need for further development work on options, the Leaders of the authorities within West Sussex have agreed to reference generic options only for this submission:

- A large single unitary either based upon the existing county footprint, or an amended one should Crawley discussions with Surrey and/or Brighton and Hove's future plans crystallise
- Two smaller unitaries, the footprint of which are still being discussed. (We reserve the right to reconsider the number of unitaries being proposed depending on emerging guidance)

The councils have not yet started to model finances in any detail as the focus has been on narrowing the list of possible options. We would note however that we are concerned that financial resilience will be dependent on funding reform and cannot be delivered by local government reorganisation, while accepting that there will be some savings to be made.

**c) Include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities.**

West Sussex councils are excited about the opportunity that unitarisation brings with respect to public service reform and delivering significant improvements for local communities. As proposals are developed the emphasis will be on:

- Improving outcomes with earlier intervention
- Deployment of technology to ensure that public services are more efficient, reflect public expectations and free up front line staff to work more effectively
- Strengthen community cohesion and sense of place

There is a significant opportunity to manage demand more effectively by shifting to a more preventative model. This does not necessarily reduce costs but will improve outcomes and avoid future costs, we anticipate this being a significant feature of our September submission. It's also fundamentally better for our residents for us to be shifting to a more 'upstream' model and working with people before their need becomes acute. We will be looking specifically at a number of areas in order to describe the potential of new delivery models to address need and reduce demand more effectively. The two main initial areas will be:

- The potential to accelerate and deepen work on homelessness prevention.
- The impact that more place based social care model could have when combined with the NHS shift to work in current district and borough footprints.

In the medium term, by harnessing economies of scale and implementing more efficient working practices, we expect local government reorganisation to provide opportunities to reduce operating costs, though this work has yet to be undertaken. It should be noted that based on recent reorganisations the savings realised have been a lot less than indicated in the PWC report on which the 500K figure in the white paper is based. Indeed, those authorities reorganised as recently as 2023, are experiencing significant financial challenges. The government will be aware that changes at the scale anticipated across the sector, will involve significant transition and harmonisation costs, which when added to the current financial challenges of the sector, is likely to mean costs will increase rather than reduce.

**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.**

The councils have not formed a view on this point but there is clear consensus on the need to preserve representation of place and create manageable workloads for both members and officers. The September proposals will outline how democratic representation and an inclusive approach to participation in public life is to be built into the future design and proposals will focus on strengthening local democracy. This is not simply the case for the unitary authorities but needs to be reflected in the design of the MCA and the 'strong leader' model of the mayor needs to be supported by strong representative democracy of place. Detailed work on this question will be included in the analysis work that will underpin the September business case submission. In order to progress this work guidance from the Boundary Commission would be welcome and we have referenced this in section (a).

Governance of the new council(s) will also be considered as part of the business case. West Sussex has both densely populated urban areas and sparsely populated rural ones, so arrangements will need to be tailored to reflect these local circumstances and to ensure that the new unitary council(s) remain sensitive to local characteristics and needs. This may include establishment of neighbourhood councils or committees and will be designed in partnership with existing structures such as Town and Parish councils who are important members of the local government fabric.

**e) Include early views on how new structures will support devolution ambitions.**

The existing councils in West Sussex have strong relationships with each other and with other public sector partners. The footprint of our proposed MCA mirrors that of the PCC and ICB and this will provide a firm platform for work both on LGR and once the Mayor and MCA is in place.

While this work programme will need to be developed there are a number of clear opportunities to West Sussex in the devolution programme:

- The ability to join up transport arrangements and support travel to work patterns across bus and rail with a range of interventions:
  - Sussex wide plan for active and environmentally sustainable travel
  - Road / Bus links designed to work for residents
  - More effective lobbying to unlock investment in road infrastructure.

- A platform for more focused support for growth projects which deliver high quality jobs throughout Sussex, accelerating projects and sectors such as:
  - Development of the science and technology park in Mid Sussex
  - Unblocking planning restrictions which are inhibiting growth at Manor Royal in Crawley
  - Enhanced support for the vibrant digital and creative sector, including the highly successful gaming cluster
- With the anticipated development of strategic planning functions within the MCA, the unlocking of growth blockers such as water neutrality or flood defences in order to deliver housing and key infrastructure.
- Strategic economic growth opportunities linked to expansion of operations at Gatwick Airport following future decision on the current DCO
- The devolution of environmental powers to Sussex will help preserve and enhance the areas unique natural assets of the South Downs National Park and help further develop the Sussex Bay vision
- Attracting, retaining and upskilling more working age people. A better-balanced population will help us to deliver our productivity ambitions.

West Sussex as an area has an active network of third sector providers and local councils and can draw on the shared assets of Sussex as a whole which has three universities and the South Downs National Park Authority. Long term and mature relationships exist with all of them. We have a history of effective joint working with these partners on a range of projects. Senior leaders (politicians and officers) know each other well and have a shared commitment to work together. They are also well sighted on the issues facing Sussex and the City. This shared knowledge and commitment will help to ensure that unitary structures will complement those of the MCA and will enable the Mayor to focus quickly and effectively on the key issues for the area.

As options for unitary structures are developed, established relationships will be used to ensure none of this history of strong working for the benefit of local communities is lost; rather that it is leveraged still more effectively. In the event of Crawley moving into Surrey, this is something that will need close attention to ensure that we continue to make it work.

**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.**



Given the rapid timescale for the initial submission, we have been limited on the extent to which we can engage with local communities and stakeholders as there are a number of key outstanding issues to resolve as set out elsewhere in this letter.

Until we have a clearer idea of which geographic footprints are open to us, local engagement is challenging as we do not have enough clarity to set out the potential options coherently at this stage. We plan to seek the views of our residents and stakeholders as soon as possible through inclusive, transparent and meaningful consultation, to ensure that the voices of our community and stakeholders are genuinely heard and considered in the decision-making process.

We have of course worked hard to promote the MHCLG Devolution consultation across West Sussex, including engagement with Town and Parish Councils where they exist, residents, businesses and stakeholders. Included with these messages we have set out the background to Devolution and LGR and the process and timescales for West Sussex to submit our proposal as part of the Devolution Priority Programme.

We are also developing a communications and engagement framework which will be used by all of the West Sussex authorities as we move towards the September submission.

**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.**

The councils are preparing plans to set up an implementation team involving staff from all councils. Initially the councils have agreed to the release of £200,000 from their own resources to fund consultants and any associated work to draw up the business plan with an expectation that a further commitment of £800K will be needed in order to stand up a small, shared development team and commission research and other key elements of the business case. Beyond that, West Sussex councils seek government funding to cover the significant costs of developing the implementation plan and preparing for Vesting Day as well as the reimbursement of the £1m cost that is anticipated. These costs are a new burden arising from Government policy set out in the devolution white paper and proper funding is needed to ensure that all councils are able to participate in the process, not just those who have access to more discretionary resources. The reality of the asymmetry of financial pictures in place needs to be addressed with some councils being very close to a financial cliff edge and others being in a (relatively) better position.

At this early stage we have used examples from elsewhere to prepare estimates for implementation. These are early estimates and provide a low and high range that will evolve and change as more work is completed. We therefore estimate the cost of implementation to be in the region of £30m but this will clearly need to be properly

calculated when the final options are understood. Updated estimates will be provided in the final business plan to be submitted in September.

**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.**

The Leaders of all eight councils in West Sussex have responded to the letter from the Local Government Minister on 5 February 2025 by committing to work together to deliver the most effective outcome for the residents of the county. The group are conscious of their status as custodians of good and effective local government in West Sussex and determined to ensure that despite all of the challenges facing the sector currently, that the legacy of these changes is a positive one.

Initial work has been supported by the Chief Executives of the eight councils, with agreement to put in place some shared resource to help deliver a series of programme workstreams designed to help inform the business case and to prepare for the new unitary structures. The Leaders are meeting as a group on a fortnightly basis, with the chairing of the meeting rotating each time. All councils have been involved in the discussions around the creation of these workstreams and the leadership of them is distributed amongst the Chief Executives which is why the unlocking of support for the business case development process is essential to ensure attention is not drawn away from service delivery.

Whilst at this stage there are various views about what might represent the optimal outcome, there is a shared objective to ensure that evaluation and analysis is undertaken transparently and openly, and on the basis of a shared dataset accessible to all of the councils to inform their thinking. This will help ensure that decisions are based on the right information and that whatever the future structure of unitary local government, it has a foundation of good collaborative intent and constructive ways of working. Because some options would involve neighbouring Brighton & Hove City Council, there is a commitment to share methodology and data across the councils, as well as with East Sussex colleagues, and to align or at least cross reference options as they evolve.