**Local Update August 2025**

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**Not a lot of good news!**

**Local Government Reorganisation.**

The Mayoral Combined Authority as the government calls it will be going ahead next year and elections for a Mayor will take place in May.

However the plans for Unitary authorities which will effectively take over from County and District or Borough Councils are, at this point, in disarray. The East Sussex proposal across parties is for an East Sussex authority based on the current County boundaries. However, Labour controlled Brighton wants to add Newhaven, Peacehaven and other parts of Lewes District into a new Brighton Council area. This would upset the plans of other councils. East Sussex will be putting forward its preference in late September but we will not know the final shape of things until Ministers make their decisions which could be early in 2026.

At a recent Local Government Association briefing, it was strongly suggested that the government want a strong Regional government system with the Mayors being much more powerful than the Unitary Authorities and even more powers moving to the Mayors who will be accountable to voters but much more remote from local communities .

The Mayors will be able to levy taxes to fund their services but despite this process being called ‘devolution’ there is no current plan to devolve more tax decisions to this level. Currently no-one has any idea how the finances will work.

More alarming is the indication that the government does not want to create more Town and Parish Councils. They are looking at neighbourhood-level committees which may add another layer to local governance or perhaps take over from town and parish councils.

We will have quite a wait before we have more clarity.

**Local Government Finance.**

What we do have more information about is short term local government spending.

One positive point is that Councils will have a financial settlement for the 3 years from 26/7 to 28/9.

East Sussex is mainly funded by Council Tax and Business Rates. There are, however, a number of national grants. The government is planning sensibly to simplify the grant system but to adjust it so it reflects local wages, types of accommodation, property characteristics and remoteness. They are apparently going to move resources from elderly services to services for children and young adults

We might have thought that some of this would help East Sussex but we are regarded as better off than the North and Midlands.

As yet we have no definite figures but independent modelling has calculated that East Sussex could lose £18 million per year. Given that funding is already very stretched , that will affect our services adversely.

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