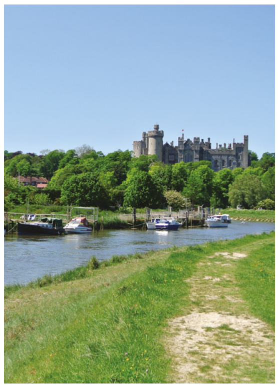
Shaping West Sussex

Responding to the Government's invitation on local government reorganisation

Business Case, September 2025



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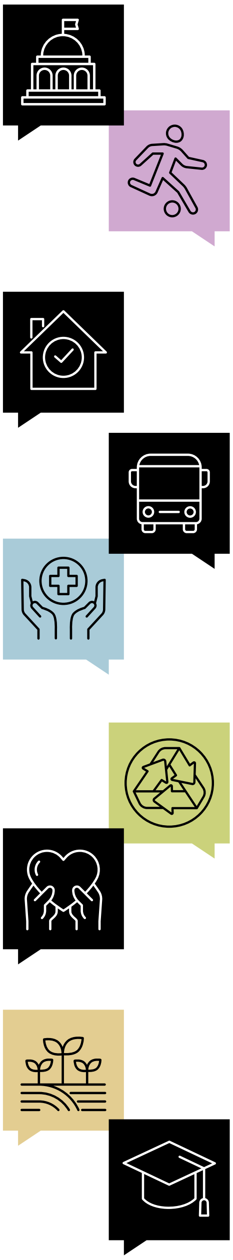

This business case has been prepared by the West Sussex Local Government Reorganisation (LGR) Programme on behalf of the constituent councils. It is intended to inform discussions and support decision-making by the participating councils in relation to options for future local government structures in West Sussex.

The information, analysis, and financial modelling contained within this document are based on the best available data at the time of writing, alongside a number of assumptions which are subject to change. Notably, the outcome of the Fair Funding Review presents a significant risk to future funding allocations. Early indications suggest material reductions in core funding, which could impact the ability to finance transition costs and threaten the long-term financial sustainability of any new unitary authority. While care has been taken to ensure the accuracy of the content, no warranty is given as to its completeness or that the assumptions made will remain valid over time.

This document does not constitute a formal commitment or decision by any individual council. Each council will consider the business case in full and determine its own stated preference in accordance with local governance processes and the requirements set out by the Ministry of Housing, Communities and Local Government (MHCLG).

Use of this document for any purpose other than that for which it was intended is entirely at the user's risk.

Document notes

- this document has been jointly produced by all councils in West Sussex as part of the local government reorganisation (LGR) programme
- the content has been reviewed to support accessibility and is compatible with screen reader software
- if you require this document in an alternative format or need any assistance accessing its contents, please contact: LGRquestions@horsham.gov.uk

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This document has been designed and formatted internally

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ADUR DISTRICT COUNCIL

ARUN DISTRICT COUNCIL

Chichester District Council

Crawley Borough Council

Horsham District Council

MID SUSSEX DISTRICT COUNCIL

west sussex county council

WORTHING BOROUGH COUNCIL

We write jointly as the Leaders of the principal councils of West Sussex to submit this business case in response to the Government's invitation to local authorities in two-tier authority areas to come forward with proposals for unitary local government.

This business case covers the entirety of the West Sussex area, in line with the expectations set out in your invitation letter. It explores options for a sustainable, effective and coherent model of local government for the county, considering the financial and service delivery challenges we anticipate in the years ahead.

West Sussex is a county of remarkable diversity and beauty, comprising urban centres, coastal communities, and rural heartlands. This business case recognises and respects those distinctions, whilst seeking to achieve the strategic capacity and efficiencies necessary to deliver high-quality public services into the future.

This document encapsulates shared evidence base and objectively evaluates the options against the Government's criteria, with three viable options identified with different strategic implications. Supplementary to this report are preference letters setting out each council's preferred option and rationale. The evaluated options demonstrate opportunities for financial savings and service integration that unitary local government can unlock. It is rooted in a thorough assessment of both our current context and our future needs.

The financial modelling provides assurance that the options presented are financially viable and balanced. Particular care has been taken to assess the impact of the proposals on those in receipt of critical services, ensuring continuity and stability during and beyond transition.

While there are different preferences, this submission represents the collective endeavour of all eight councils in the West Sussex area. The process has not been without its challenges, with differing perspectives across our communities and political groups. Nonetheless, we have worked together constructively and in good faith, guided by the best interests of the residents and businesses we represent. We are united in our collective response to the Government's invitation and that the options outlined within this business case give our area the best possible opportunity to weather the economic headwinds that lie ahead.

On behalf of all West Sussex councils,

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Adrian Moss
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Leader of Crawley Borough Council

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Leader of West Sussex County Council

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1. Executive summary

This business case outlines options for local government reorganisation in the West Sussex area, developed collaboratively by all councils in response to the Government's invitation to local authorities in two-tier authority areas to come forward with proposals for unitary local government.

It sets out a clear, evidence-based case for replacing the current two-tier system in West Sussex with one or two new unitary authorities, aligned with government criteria.

The case takes a pragmatic approach, recognising the limitations of the current system and the challenges faced, while valuing existing strengths and good practice. It aims to build on what works well, ensuring any future arrangements are resilient, adaptable, and responsive to the evolving needs of residents.

The process

Recognising the national case for change and guided by the Government's assessment criteria, we have undertaken a comprehensive and structured approach to developing potential options for local government reorganisation in West Sussex. A core dataset, covering geographic, economic, demographic, political, organisational, financial, technological, and asset-related information has been collated and analysed across all councils to support this evaluation.

The process has been collaborative, with all councils working together to ensure the appraisal reflects a shared understanding of the opportunities and risks associated with each option, in relation to the Government's criteria. This was supported by the establishment of a Leaders' Board and Programme Board, which met regularly to agree on approaches, review data, and provide strategic direction to the Programme Team.

This inclusive approach was designed to promote transparency and support evidence-based decision-making. By gathering meaningful input from a wide range of stakeholders, we ensured that local perspectives informed our evaluation.

Options assessment

Using data and insights, a structured approach was taken to develop the options, starting with a long list of 16. This initial list was shaped by factors such as community identity, economic geography, service efficiency, and political and administrative feasibility. Through a review with the Leaders' Board and Programme Board, the list was narrowed down to a shortlist, which have been assessed against government criteria.

Options assessment continued

Shortlisted options

Option A	Single county unitary
Option B1	Two unitary councils – broadly west / east
Option B2	Two unitary councils – broadly south west / north east
Option C	Two unitary councils – broadly north / south
Option D	Two unitary councils – incorporating Brighton & Hove unitary

Following HM Treasury Green Book guidance, a structured, evidence-based appraisal of these shortlisted options was carried out against the Government's core criteria. An assessment framework was designed to reflect the robustness of each option's performance against the objectives, using a 0-3 scoring scale.

Criteria 1 – A proposal should seek to achieve for the whole of the area concerned in the establishment of a single tier of local government.

No new council should be set up to fail and an early viability test showed that Options C and D would have an unsustainable financial imbalance and were therefore discounted. Options A, B1 and B2 all meet or fully meet the objectives in this criteria.

Criteria 2 – Unitary local government must be the right size to achieve efficiencies, improve capacity, and withstand financial shocks.

Unitary options have been developed that get as close to 500,000 as possible, whilst also maintaining balance in the two unitary options. Option A, the single unitary has a population of 900,862 and the two unitary options range between 408,251 and 492,611.

Detailed financial modelling was carried out on the remaining options: Option A and Options B1/B2 to assess both the costs of transition and the potential efficiencies and benefits over time.

The financial case distinguishes between savings directly resulting from local government reorganisation (LGR), such as efficiencies, and those from broader service redesign. Savings for both Options A and B1/B2 are grouped into four categories: staffing (efficiencies from consolidation in Years 1-3), councillors (fewer required, with savings from Year 1), non-staffing (economies of scale and resource optimisation in Years 1-4), and optimisation (service redesign savings, not directly linked to LGR, occurring in Years 2-5).

Once a steady state has been established, Option A is estimated to deliver ongoing annual net benefits of £48.8m and for Option B1/B2 this is estimated to be £18.8m (both at the mid-point of our sensitivity analysis). These are net of any additional recurring expenses from aggregation or disaggregation of staffing and non-staffing elements, incurred over Years 1-6 post vesting day.

1. Executive summary continued

Options assessment continued

A key factor in ensuring the financial sustainability of both Options A and B1/B2 is the level of Council Tax base needed to fund services, as this directly impacts what residents will pay in the long term. This consideration has been fully incorporated into the financial baseline.

It is important to note the key financial risks that could impact the longer term sustainably of either option. Early analysis of the fair funding review consultation indicates there will be a significant reduction in funding within the county. Should this materialise then the longer-term financial outlook of all options will be impacted, as will the shorter-term programme by constraining funding sources for transition costs such as the availability of reserves and capital receipts.

The Dedicated Schools Grant (DSG) deficit and statutory override remain a significant risk, whilst the Government has recently announced a further two-year extension of the current statutory override arrangements and is working with local authorities on reforms, the outcome of this will impact significantly on the future financial sustainability of all three options.

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

Options A, B1 and B2 offer opportunities to deliver public service reform, enabling more integrated, preventative services and better value for money. In the case of the two unitary options the disaggregation will create delivery risks that will require robust transition planning and risk management.

Criteria 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.

All councils across West Sussex are proud of the collaborative approach taken to develop this business case. We have worked openly and transparently to develop a shared evidence base and business case framework.

A strong engagement programme was undertaken on the shortlisted options, to garner the views of staff, residents and stakeholders. This insight has informed the development of this business case, and to understand the preferences of groups, how they use our services now and how they might in the future.

A public survey was launched only once we had undertaken sufficient modelling to present viable options for our area in line with the government criteria. The engagement provided varied feedback on the options. A detailed analysis of preferences across different stakeholder groups and geographies is presented in Appendix 3. Key themes included the importance of local identity, the desire for service efficiency, and concerns about democratic accountability. Of the 9,332 responses 23% preferred a single unitary model, 62% preferred a two unitary model and 16% had no preference at this stage. Of the two unitary models 28% preferred B1, 62% preferred B2 and 10% had no preference at this stage.

Options assessment continued

Criteria 5 – New unitary structures must support devolution arrangements.

Any unitary council in West Sussex will be part of the Sussex Strategic Authority, and the establishment of unitary structures will support the associated timeline. Assumptions have been made on the neighbouring East Sussex Ceremonial area. Depending on configuration, Option A will represent approximately 52% of the population of the Strategic Authority while Options B1 and B2 would each represent around 26% of the population. Depending on the decision taken in the East Sussex Ceremonial Area the other unitary authorities might represent between 16% and 31% each.

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

Leaders across West Sussex are all committed to ensuring that future models will maintain strong community engagement. Initial thinking around community engagement models building on local and national experiences of neighbourhood working has taken place. The intention is to develop this further during the design phase via engagement with appropriate stakeholders. Across the councils, a range of arrangements are already in place for community engagement. The intention is to build on these, drawing lessons and good practices from within our communities and beyond.

Transition and implementation

Once the Government confirms its preferred option, councils will begin detailed design and implementation planning to fully realise the opportunity of reorganisation. Preparation will start in October 2025, focusing on deepening understanding and shaping key elements of the operating model. This model will be developed collaboratively through a structured and inclusive transition plan.

Services will be safeguarded and where possible, strengthened – especially those supporting vulnerable residents. Critical services, including social care, homelessness, special educational needs and disabilities, safeguarding, and for wider public services including public safety, will remain a priority to ensure continuity and stability.

The new unitary authority or authorities will follow a Cabinet and Leader model, with a full committee structure to support strong member oversight, scrutiny, and accountability. Governance arrangements will reflect community needs and ensure transparency.

Local representation will be central to implementation, with plans to establish locality-based committees with delegated powers and strengthen links with town and parish councils. Elected members will help co-design the new constitution to embed local accountability and reflect the priorities of our communities.

1. Executive summary continued

Conclusion

This business case has demonstrated that only the single and two unitary models are viable options for the future of local government in West Sussex.

The options appraisal, undertaken against the Government's published criteria, indicates that Options A, B1 and B2 are broadly comparable in their ability to meet the Government's tests.

It is for individual councils to consider the full range of evidence and analysis presented in this business case and determine their own stated preference for submission to the Secretary of State.

All councils have worked respectfully and collegiately through this process and are committed to continued collaboration to get the best outcome for residents and wider stakeholders.

2. Responding to the Government's invitation

This business case aligns with the priorities outlined in the English Devolution White Paper[1] and subsequent government guidance, which advocates for the simplification of local government structures, and the formation of unitary authorities in two tier-areas. It has been developed in direct response to the Government's invitation to West Sussex councils[2] to jointly bring forward reorganisation proposals and reflects initial feedback provided following the submission of West Sussex councils' interim joint plan in March 2025[3].

The following table sets out the overview of the government criteria. Each criterion is listed alongside an index that directs you to the supporting information necessary for a thorough understanding and evaluation. The table is designed to facilitate navigation and reference, ensuring all stakeholders can access the information needed to support the analysis and decision making.

Evaluation criteria index

Evaluation criteria	Index of supporting information
1. A proposal should seek to achieve for the whole of the area concerned in the establishment of a single tier of local government	**Section 4.3.1 Appendix 4**
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.	Section 4.2, 5.3, 5.8 Appendix 5
b. Proposals should be for a sensible geography which will help to increase housing supply and meet local needs.	Section 3.3, 4.2
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.	Section 3.3, 3.4, 4.1, 5.4, 5.6 Appendix 3, 5
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.	Section 3.4, 4.2, 6.1

1. English Devolution White Paper 16 December 2024
2. Letter: West Sussex 6 February 2025
3. West Sussex LGR Interim Submission 21 March 2025

2. Responding to the Government's invitation continued

Evaluation criteria		Index of supporting information
2.	**Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.**	**Section 4.3.2** **Appendix 4**
a.	As a guiding principle, new councils should aim for a population of 500,000	Section 4.2
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.	Section 4.2
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.	Section 5.4, 5.6 Appendix 5
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.	Section 5.5, 5.7, 6.2 Appendix 5
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.	Section 5.9 Appendix 5
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.	Not applicable

2. Responding to the Government's invitation continued

Evaluation criteria			Index of supporting information
3.	**Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.**		**Section 4.3.3 Appendix 4**
	a.	Show how new structures will improve local government and service delivery and should avoid unnecessary fragmentation of services.	Section 3, 6.1 Appendix 6
	b.	Opportunities to deliver public service reform should be identified, including where they will lead to better value for money.	Section 3, 5.6 Appendix 6
	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.	Appendix 6, 8
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.**		**Section 4.3.4 Appendix 4**
	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.	Appendix 3
	b.	Proposals should consider issues of local identity and cultural and historic importance.	Section 3, 4.2, 6.1 Appendix 1
	c.	Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed.	Appendix 3

2. Responding to the Government's invitation *continued*

Evaluation criteria		Index of supporting information
5.	**New unitary structures must support devolution arrangements.**	**Section 4.3.5 Appendix 4**
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.	Section 6.1
b.	Where no CA or CCA is already established or agreed then the proposal should set out how it will help unlock devolution.	Not applicable
c.	Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities.	Section 3, 4.1, 6.2
6.	**New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.**	**Section 4.3.6 Appendix 4**
a.	Explain plans to make sure that communities are engaged.	Section 6.1 Appendix 3
b.	Where there are already arrangements in place it should be explained how these will enable strong community engagement.	Section 3, 4.1, 6.1 Appendix 3

3. Case for change (strategic case)

3.1 West Sussex local government context

In July 2025 the Government confirmed its decision to proceed with the creation of a Strategic Authority (SA) for Sussex, with the first mayoral election scheduled for May 2026. The new SA will bring together all upper-tier local authorities across the region to collaborate on strategic priorities, while existing councils will continue to be responsible for delivering day-to-day services. As part of the devolution process, the Government is inviting proposals to establish unitary councils across East and West Sussex, with the aim of replacing the existing two-tier system with a unitary model.

This Business Case has been developed in direct response to this invitation. It sets out options that represent a step toward reshaping local government in West Sussex, with a focus on doing so as effectively and efficiently as possible. While these options offer potential benefits, they do not resolve the deeper, systemic challenges currently facing local councils. Delivering meaningful and lasting change will require significant government investment and sustained long-term support.

West Sussex currently operates under this two-tier system of local government, comprising West Sussex County Council and seven constituent district and borough councils: Adur, Arun, Chichester, Crawley, Horsham, Mid Sussex, and Worthing. These councils also work collaboratively with the South Downs National Park Authority and 158 town and parish councils, contributing to a highly localised governance model.

Councils across the West Sussex area have a strong history of collaboration, built over more than 135 years of delivering services rooted in local communities. That legacy remains a strength and continues to underpin effective local service delivery. However, as in many parts of the country, public services are coming under increasing strain. While the current two-tier system has supported innovation and strong local practice, there is growing recognition that it faces long-term sustainability challenges in the face of mounting financial and operational pressures.

In the context of the Government's policy direction, these challenges highlight the need to explore whether alternative governance arrangements could offer greater resilience and efficiency, while building on the strengths of the existing system.

Demand for services varies across the county area, reflecting the differences seen in urban, rural and coastal communities. Adult and children's social care continue to consume a growing share of the county council's resources, driven by demographic change, inflation, and increasingly complex needs. District and borough councils face their own challenges to varying degrees, particularly in housing and homelessness, where demand has surged, and costs are escalating. Inflation, rising contract prices, pay settlements, and ageing digital infrastructure compound the challenge. Councils are increasingly forced to prioritise statutory provision and/or cut services at the expense of prevention and investment.

3. Case for change (strategic case) continued

3.1 West Sussex local government context continued

The current structural separation between county, district, and borough councils can create complexities that make it more difficult for the system to respond sustainably to growing pressures. Interdependent services – such as housing and social care, or waste collection and disposal – are split between tiers. Residents can sometimes experience variation in access, entitlements, and service design depending on where they live, and councils can find it difficult to harness shared capacity in specialist areas such as digital delivery, procurement, or legal services.

At the same time, demand is rising, and the complexity of delivery is growing. Integration with health, the transition to digital channels, and the expectation for personalised services require more joined-up and agile models of working. Councils are expected to collaborate more effectively, respond faster, and make smarter use of data.

In this context, local government reorganisation presents a strategic opportunity to address these challenges, improve financial resilience and potentially, unlock long-term benefits in the West Sussex area.

But this isn't only about restructuring. Unitary local government enables joined-up planning and budgeting across key priorities such as social care, housing, transport, and climate action. It also ensures public spending across the West Sussex area is targeted towards areas with the greatest need and provides an opportunity to build on the strong local partnerships that already exist.

Whilst we aim to realise the benefits that local government reorganisation could bring, it is clear that structural change alone will not resolve the long-term challenges faced by local government and the communities we serve. Financial pressures, rising service demands, and workforce capacity issues require more than reconfiguration – they demand sustained investment, strategic support, and a shared commitment to strengthening local delivery for the future.

3.2 Wider public sector landscape

In addition to eight local authorities, the delivery of public services in West Sussex is shaped by a wide network of statutory and voluntary organisations that deliver coordinated services across health, public safety, and community support.

At the strategic level, NHS Sussex, acting as the Integrated Care Board (ICB), is responsible for commissioning and allocating resources for health services. It works in partnership with providers such as University Hospitals Sussex NHS Foundation Trust and Sussex Partnership NHS Foundation Trust to deliver acute, community, and specialist care. Sussex Police, under the governance of the Sussex Police and Crime Commissioner, leads on law enforcement and community safety, while West Sussex Fire & Rescue Service, a function of the county council, delivers prevention programmes, emergency response, and resilience planning. The Voluntary, Community and Social Enterprise sector (VCSE) comprising over 230 active organisations, plays a crucial role in complementing statutory services through early intervention, advocacy, and place-based support. Illustrative maps of key partner geographies can be found in Appendix 2.

Rising demand for services, coupled with increasing complexity of need and escalating costs, is placing considerable strain on system capacity and long-term sustainability. These key public sector partners are also facing significant operational and financial pressures. Rising demand for services, coupled with increasing complexity of need and escalating costs, is placing considerable strain on system capacity and long-term sustainability.

Healthcare is undergoing its own reform agenda that involves major changes to funding models, commissioning arrangements, and service delivery structures which is contributing to further uncertainty, particularly for local NHS partners. The introduction of the 10-Year Health Plan and the reorganisation of Integrated Care Boards (ICBs) are reshaping how health services are designed and delivered, with an increasing emphasis on community-based care, digital transformation, and prevention. At present Sussex ICB currently operates across East Sussex, West Sussex and Brighton & Hove – active plans are underway to merge NHS Sussex and NHS Surrey Heartlands ICBs into a single entity. The new ICB, covering both Sussex and Surrey, is expected to become operational by April 2026. Health partners have emphasised the importance of ensuring that their new Integrated Community Teams continue to operate on district/borough footprints under these new arrangements.

Voluntary, Community and Social Enterprise sector (VCSE) is grappling with funding volatility and rising demand. Organisations that are central to supporting vulnerable groups and delivering preventative services are having to adapt to new commissioning expectations while continuing to operate in increasingly complex environments.

3.2 Wider public sector landscape continued

West Sussex Fire & Rescue Service is undergoing a programme of transformation aimed at improving service culture, prevention activity, and operational resilience. As part of future planning, the service is expected to transition into the governance framework of the Strategic Authority once established, supporting more coordinated emergency service delivery across the region. The timing of this change is not confirmed meaning interim arrangements may be needed to ensure safe fire prevention and response services across the county area.

Sussex Police are subject to wider policing reforms, including the creation of a new Police Performance Unit and changes to neighbourhood policing are altering how forces operate and engage with local communities. These developments reflect a broader move toward more targeted, intelligence-led approaches to public safety. Sussex Police is a pan-county organisation, with its divisional/district boundaries coterminous with districts/boroughs and the counties of East and West Sussex and the unitary city authority of Brighton & Hove respectively. These structures provide the backbone of their service delivery and wider engagement functions.

South Downs National Park Authority (SDNPA) is responsible for managing the South Downs National Park, which stretches across Hampshire, West Sussex, and East Sussex. Its core duties include protecting the park's natural beauty and heritage, encouraging public enjoyment, and supporting local communities. As the planning authority, the SDNPA works in close partnership with West Sussex councils to ensure that development within the park reflects its conservation priorities. This collaboration includes joint work on local plans, infrastructure projects, and community engagement, with the aim of balancing environmental protection with sustainable growth.

In this evolving landscape, continued collaboration will be vital. The new unitary authority/authorities must remain actively engaged with partners to enable joined-up service delivery, foster intelligence sharing, and pursue opportunities for integrated planning. This collaborative approach will be particularly important as the Strategic Authority takes shape, offering a platform for broader regional coordination on shared priorities including infrastructure, skills, public services, and strategic initiatives such as net zero, procurement and commissioning.

Strong local relationships and clear communication will be key to managing change and ensuring that public services remain responsive to the needs of residents across West Sussex.

3. Case for change (strategic case) continued

3.2 Wider public sector landscape continued

A range of key strategic partnerships provide a valuable mechanism for the further coordination of services and provision across West Sussex and the wider Strategic Authority area, including:

- **West Sussex Economic Growth Board:** which oversees the West Sussex Economic Strategy 2025-2035 and includes leaders from local government, business, education and health. The Board coordinates strategic planning for productivity, infrastructure, skills and green innovation
- **Safer West Sussex Partnership (SWS):** which leads on county-wide community safety priorities under the Crime and Disorder Act. Partners include West Sussex councils, Sussex Police, Fire & Rescue, NHS Sussex, and Probation Service. Areas of focus include domestic abuse, substance misuse, hate crime, violence and exploitation, and digital safety
- **West Sussex Safeguarding Children Partnership (WSSCP):** Which includes NHS Sussex, Sussex Police, and West Sussex County Council. The partnership works with education, voluntary sector, and social care to protect children and improve outcomes
- **Local Visitor Economy Partnership (LVEP):** which covers East Sussex, Brighton & Hove and West Sussex and brings together partners from the public and private sector to champion the region's visitor economy
- **Sussex Resilience Forum (SRF):** partner organisations work together through the SRF to prepare for, respond to, and recover from emergencies. During an incident or emergency, members of the resilience forum work together to support the organisation/s that are leading the response. The Sussex Resilience Forum is hosted on behalf of all partners by Sussex Police

3.3 The opportunity of unitarisation in West Sussex

The government has asked all councils in West Sussex to explore the establishment of a single tier of local government. While this is a national policy direction, the process also offers a local opportunity to reshape how services are planned, delivered and governed to better meet today's challenges and future ambitions. It is important to ensure that through the creation of larger unitaries we do not lose the local community focus that current local councils provide.

Moving from the current two-tier structure to a single tier, whether through one or multiple unitary authorities, could unlock a range of benefits (listed below). These opportunities would not be automatic, their realisation would depend on effective implementation and strong governance, and a continued focus on needs and priorities:

- **clearer accountability,** making it easier to identify areas of responsibility and streamline decision-making processes
- **more consistent service delivery** through aligning policies, processes and standards across the whole area
- **economies of scale** in areas such as ICT, HR, estates, procurement and contract management, freeing up resources for frontline priorities
- **coordinated delivery across related service areas to support effective outcomes,** where closer working could reduce gaps, overlaps or hand-offs between teams
- **greater flexibility in service design,** with the potential to adopt more responsive, place-based approaches that reflect the needs of different communities
- **enhanced collaboration with partners** such as the NHS, police, education providers and the voluntary sector through a single strategic voice
- **stronger alignment with regional governance,** making it easier to represent local priorities in forums such as the Strategic Authority
- **a shared skilled, adaptable workforce ready to meet evolving demands,** with clearer career pathways, opportunities for skill development, and capacity for innovation
- **strategic alignment of planning, housing and infrastructure investment,** fewer planning authorities should simplify the development of local plans and ease the interaction with the Strategic Authority

3.4 Our vision for West Sussex

A resilient and forward-looking approach to local government that reflects the diversity of West Sussex's communities and aims to deliver sustainable public services, empowering people and places to thrive.

The county of West Sussex has a proud tradition of local government that is rooted in place, shaped by community, and focused on public service. Over recent years, our councils have taken significant steps forward – strengthening governance, improving outcomes, and finding new ways to deliver more with less. This reform offers the opportunity to build on that momentum, creating a new model of local government that is ambitious, resilient and better aligned to the needs of the future.

Our vision is for a streamlined, accountable structure that delivers high-quality services while living within its means. A unitary model that strives to meet today's pressures of rising costs and growing demand, and plans confidently for tomorrow. In doing so, each option must aim to reflect the character and diversity of West Sussex, from coastal towns to rural villages, market centres to modern urban hubs. Each community matters, and each deserves a voice and services that work for them.

This change is not just about reorganisation. It is a chance to strengthen our capacity to lead, to respond and to enable. To deepen collaboration across our service teams and with partners, align strategies, and empower local people and organisations to play their part. By doing so, we can make the most of the opportunities ahead – supporting healthy ageing, unlocking economic growth, and ensuring every part of West Sussex is supported to thrive.

4. Options assessment (economic case)

4.1 Our approach

In response to the Government's request to explore unitary models of local government, councils in West Sussex agreed to work collaboratively to review the implications. Guided by the Government's assessment criteria, we have undertaken a comprehensive and structured approach to developing potential options. A core common dataset, covering geographic, economic, demographic, political, organisational, financial, technological, and asset-related information has been collated and analysed across all councils to support this evaluation[4].

As mentioned above, the process has been collaborative, with all councils working together to ensure the appraisal reflects a shared understanding of the opportunities and risks associated with each option. This was supported by the establishment of a Leaders' Board and Programme Board, which met regularly to agree on approaches, review data, and provide strategic direction to the Programme Team.

Taking this data and insights, the options have derived from a structured approach that initially considered a long list of 16 options. The factors that contributed to creating this initial long list included community identity, economic geography, service delivery efficiency, and political and administrative feasibility. Notably, this long list was shaped by the English Devolution White Paper criteria, which prompted consideration of a neighbouring area to assess whether there was scope for three broadly similar-sized authorities across the Strategic Authority area (Option D). Through a rigorous filtering process with the Leaders' Board and Programme Board, this list was narrowed down to the shortlisted options that were subject to financial viability tests.

Our programme of planned engagement included residents, staff, public sector providers such as health, police, education and fire services, maritime organisations, the voluntary sector, local businesses, environmental organisations, community groups and councils. The insight, gained through our engagement activity, has been carried out to inform the development of this business case, and to understand the preferences of groups, how they use our services now and how they might in the future.

The timing of the engagement work was scheduled in line with the submission timetable. To offer the most meaningful engagement for our residents and stakeholders, we launched the public engagement only once we had undertaken sufficient modelling to present the most viable options for our area in line with the government criteria. Not all the analysis, particularly financial, was available at this time.

Overall, 9,332 responses to the online survey were received. We held 21 stakeholder sessions where we sought to explain the process and record key feedback. We have also gathered 314 stakeholder responses via our online survey platform and nine letters from individual stakeholders or groups.

Refer to Appendix 3 for detailed engagement approach and insights which have been critical to understanding how best to shape West Sussex.

4. Appendix 11 – Sources of information

4. Options assessment (economic case) continued

4.2 Shortlisted options

Option A
Single county unitary

Option B1
Two unitary councils – broadly west / east

Option B2
Two unitary councils – broadly south west / north east

Option C
Two unitary councils – broadly north / south

Option D
Two unitary councils – incorporating Brighton & Hove unitary

Option A

A single county unitary aligned with the current West Sussex county boundary. This would bring the county council and all seven district and borough council services together to form a new unitary council for West Sussex.

West Sussex
Population: 900,862 residents

A single county geography, aligned with the existing West Sussex boundary which has existed in broad terms for over 200 years and encompasses coastal communities, historic towns, prosperous commuter corridors and rural landscapes, including Areas of Outstanding Natural Beauty and the South Downs National Park.

A mixed economy, combining traditional sectors such as agriculture and tourism with a strong business sector, alongside economic influence of Gatwick Airport.

Challenges in some areas relating to higher service demand, pockets of deprivation, uneven access to key services, and increasing pressures on housing across both urban and rural settings.

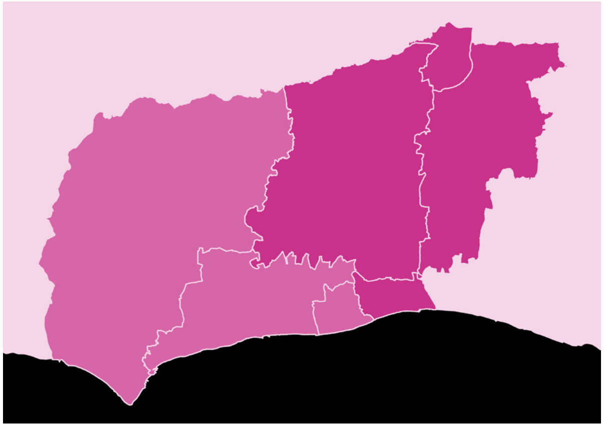
Distinct strengths sit alongside specific challenges. Coastal areas have strong tourism economies, yet face ongoing issues relating to inequality, housing supply, and health outcomes. The urban areas demonstrate cultural vitality and opportunities for economic growth while experiencing increasing demand for infrastructure and public services, and rural areas offer a good quality of life whilst contending with challenges such as social isolation, transport connectivity, and affordability of essential services.

Opportunity to balance the needs of different areas, while offsetting the pressures and challenges each community faces, from service demand and access to services, to regeneration and economic inequality.

A single county unitary model in which all eight councils would cease to exist and one new one would be created. County-wide services like social care wouldn't need disaggregating, reducing complexity and risk. Services would be harmonised into integrated models, improving consistency and enabling joined up working across areas like housing, social care, and revenues. Demand could be balanced geographically, but delivering this model would require full structural, cultural, and service redesign.

4. Options assessment (economic case) continued

4.2 Short listed options continued



Option B1

One unitary combining Arun, Chichester and Worthing footprints.

One unitary combining Adur, Crawley, Horsham, and Mid Sussex footprints.

Arun, Chichester and Worthing
Population: 408,251 residents

This geography encompasses a varied geography of coastal towns and rural communities, underpinned by a distinctive cultural heritage. Prosperous communities in the north help balance economic challenges experiences in some coastal areas, creating a diverse and resilient socio-economic landscape and the opportunity to leverage the area's combined economic strengths and social diversity to build resilience and promote balanced growth.

An ageing population set alongside families and younger residents, contributes to the rich social fabric. This diversity reinforces the importance of local connections and community cohesion across the geography.

Adur, Crawley, Horsham and Mid Sussex
Population: 492,611 residents

This geography benefits from strong infrastructure, a thriving business sector and a diverse labour market. It brings together the growth corridors along the M23 and A23, the economic influence of Gatwick Airport, expanding business parks, and surrounding rural communities.

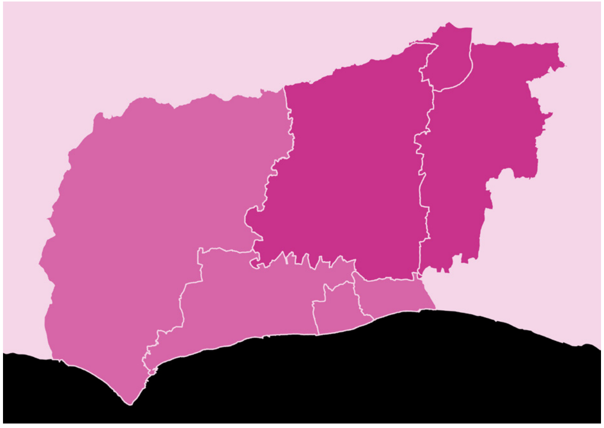
The area has a generally balanced socio-economic profile, with lower levels of overall deprivation offset by pockets of higher demand in certain coastal and urban communities.

There's a clear opportunity to tackle pressing challenges such as housing supply and homelessness, while leveraging the area's collective economic strengths and social diversity.

A two unitary model would require separate leadership, requiring full redesign of governance and services. Harmonising operations, especially back-office functions, could reduce duplication, but disaggregating county-wide services would add complexity. The east would face higher demand in children's services and housing, while the west contends with greater adult social care needs.

4. Options assessment (economic case) continued

4.2 Short listed options continued



Option B2

One unitary combining Adur, Arun, Chichester and Worthing.

One unitary combining Crawley, Horsham, and Mid Sussex footprints.

Adur, Arun, Chichester and Worthing
Population: 472,938 residents

This geography encompasses a varied geography of coastal towns and rural communities, underpinned by a distinctive cultural heritage.

Prosperous communities in the north help balance economic challenges experiences in some coastal areas, creating a diverse and resilient socio-economic landscape and the opportunity to leverage the area's combined economic strengths and social diversity to build resilience and promote balanced growth.

An ageing population set alongside families and younger residents, contributes to the rich social fabric. This diversity reinforces the importance of local connections and community cohesion across the geography.

Crawley, Horsham and Mid Sussex
Population: 427,924 residents

This geography benefits from strong infrastructure, a thriving business sector and a diverse labour market. It brings together the growth corridors along the M23 and A23, the economic influence of Gatwick Airport, expanding business parks, and surrounding rural communities.

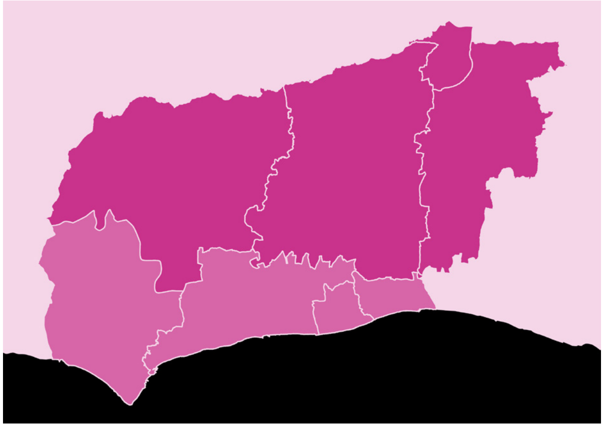
The area has a generally balanced socio-economic profile, with lower levels of overall deprivation offset by pockets of higher demand in certain urban communities.

There's a clear opportunity to tackle pressing challenges such as housing supply and homelessness, while leveraging the area's collective economic strengths and social diversity.

A two unitary model would require separate leadership, requiring full redesign of governance and services. Harmonising operations, especially back-office functions, could reduce duplication, but disaggregating county-wide services would add complexity. The north east would face higher demand in children's services and housing, while the south west contends with greater adult social care needs.

4. Options assessment (economic case) continued

4.2 Short listed options continued



Option C

One unitary combining Mid Sussex, Crawley, Horsham, and northern part of Chichester.

One unitary combining Adur, Worthing, Arun, and southern part of Chichester.

Mid Sussex, Crawley, Horsham and northern part of Chichester
Population: 473,080 residents

A geographically diverse area, extending from rural western regions to urban centres in the east.

The eastern section has growth capacity, supported by infrastructure such as major transport corridors, Gatwick Airport, rail links to London and the coast, and digital connectivity, all contributing to economic activity.

The rural west features dispersed settlements, lower connectivity, and limited access to services like healthcare, education and transport, alongside key environmental assets including a National Park, protected landscapes, green spaces, and strong local networks.

Adur, Worthing, Arun and southern part of Chichester
Population: 427,720 residents

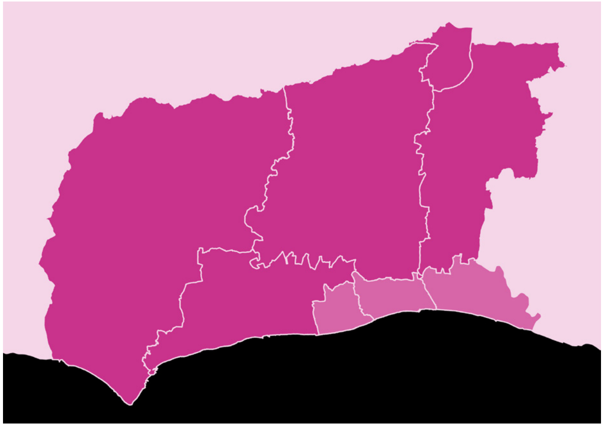
A coastal region which includes a mix of urban and rural areas, including seaside communities, ports, and harbours, and a strong tourism identity.

The area includes diverse communities. Some locations experience challenges related to health, employment, and housing costs. Demographic trends point to increasing demand for adult social care. Planning and investment, particularly along transport corridors, aim to support growth and improve connectivity.

This option would require the creation of new principal boundaries, specifically in relation to the division of Chichester district, resulting in two entirely new governance geographies. Existing public service footprints – NHS, policing, safeguarding – don't align with new boundaries, which could disrupt partnership delivery.

A two unitary model would require separate leadership, requiring full redesign of governance and services. Harmonising operations, especially back-office functions, could reduce duplication, but disaggregating county-wide services would add complexity.

4.2 Short listed options continued



Option D

One unitary combining Arun, Chichester, Crawley, Horsham, Mid Sussex.

One unitary combining Adur, Worthing, and Brighton & Hove.

Arun, Chichester, Crawley, Horsham, Mid Sussex and West Sussex
Population: 723,925 residents

A reduced West Sussex geography which covers coastal communities, historic towns, commuter corridors, and rural landscapes – including Areas of Outstanding Natural Beauty and the South Downs National Park.

The area has a mixed economy, encompassing agriculture, tourism, a strong business sector, and the economic impact of Gatwick Airport.

However, some areas face higher service demand, pockets of deprivation, uneven access to services, and rising housing pressures.

Adur, Worthing and Brighton & Hove
Population: 456,564 residents

A coastal geography covering Brighton & Hove, Adur and Worthing which presents a mix of urban and coastal features.

Brighton & Hove has established sectors such as creative industries and services, while Adur and Worthing contribute infrastructure and employment space. The area benefits from rail links and access to main transport routes.

There are existing challenges related to housing, infrastructure, and economic disparity. Regeneration efforts are underway to support development across the area.

Transferring Adur and Worthing into a new unitary along with Brighton & Hove would require legislative change and bespoke governance and financial arrangements. Existing public service delivery footprints – NHS, policing, safeguarding – would need realigning. A two unitary model would require separate leadership, requiring full redesign of governance and services. Harmonising operations, especially back-office functions, could reduce duplication, but disaggregating county-wide services would add complexity.

4. Options assessment (economic case) continued

4.3 Options appraisal against government criteria

Introduction

In line with HM Treasury Green Book best practice and associated government guidance, we have undertaken a structured and evidence-led options appraisal. This appraisal has been conducted against the full set of evaluation criteria set out in the invitation letter from government[5] which we have interpreted and applied consistently across all viable options.

Each of the six core criteria, along with their associated sub-elements, has been assessed using a standardised scoring framework. The framework was designed to reflect the robustness of each option's performance against the agreed objectives, using a 0-3 scoring scale:

0 – fail: does not meet the requirement and is considered non-viable
1 – poor: partially meets the requirement but with significant concerns
2 – acceptable: meets the requirement with some limitations
3 – good: fully meets or exceeds the requirement

As advised by government, all criteria are treated with equal importance. Accordingly, each criterion has been normalised to a maximum score of 3 to ensure consistency and comparability. The total score for each option is the aggregate of its scores across all six criteria, yielding a maximum possible score of 18.

Given that not all the criteria are quantifiable, the scoring framework facilitated a collective assessment of those more subjective elements within the process.

Where any option failed to meet the minimum threshold (received a score of 0) on any single criterion, it was discounted from further consideration. This reflects the principle that all criteria represent essential conditions for a viable option. Two of the options considered fell into this category and have been excluded on this basis.

The appraisal was carried out by the Programme Team with reference to both primary and secondary sources of evidence. Examples of this include published data sets (ONS, MHCLG, LG Inform), local government financial returns (RA/RO, CFR), travel-to-work area analysis, and service performance benchmarks. In addition, stakeholder feedback, government policy documents, and precedent case studies from previous local government reorganisations were considered.

5. Letter: West Sussex 6 February 2025

4.3 Options appraisal against government criteria continued

We have ensured that the scoring and rationale are grounded in objective analysis. In particular, evidence drawn from primary data sources has been triangulated with qualitative inputs and expert judgement. Further detail on these sources can be found in the main body of this business case, particularly in the sections relating to baseline analysis, financial sustainability, and operating principles. Supplementary technical information and assumptions are provided in the appendices.

To ensure objectivity and transparency, the options appraisal was subject to external challenge and scrutiny by the Programme Board, comprising the Chief Executives of all West Sussex local authorities. Following this, the final results were reviewed and validated by the Leaders of all West Sussex councils. The process has been collaborative and iterative, with all councils working together to ensure that the appraisal reflects a shared understanding of the opportunities and balances risks associated with each option.

A summary of scores across the six criteria is provided in the tables below. A detailed breakdown of the scoring methodology and evidence underpinning each score can be found in Appendix 4.

4.3 Options appraisal against government criteria continued

4.3.1 Criteria 1: A proposal should seek to achieve for the whole of the area concerned in the establishment of a single tier of local government.

Government Assessment Criteria	Option A	Option B1/B2	Option C	Option D
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	3	3	1	3
	No internal boundaries are impacted	Boundaries of the proposed authorities align well with the internal HMA and FEMA boundaries	Cuts through FEMA boundaries in West (Chichester and Bognor Regis) and Silver Standard HMA	No internal boundaries are impacted
	3	3	0	0
	Tax base is appropriate. Balanced position as income and expenditure is balanced within the system (RA 2025/26)	Tax base is appropriate. Strong alignment – balanced to within 1.5% (RA 2025/26)	Insufficient tax base in Southern UA Weak alignment – unbalanced by c.£41m	Insufficient tax base in Urban Costal UA Weak alignment – unbalanced by c.£44m
b. Proposals should be for a sensible geography which will help to increase housing supply and meet local needs	2	2	1	0
	The ratio of supply and need for each individual authority is within 10% of each other	The ratio of supply and need for each individual authority is within 10% of each other	The ratio of supply and need for each individual authority is over 10% of each other	The ratio of supply and need for each individual authority is over 25% of each other
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	3	3	3	3
	Proposal is supported by robust evidence and analysis	Proposal is supported by robust evidence and analysis	Proposal is supported by robust evidence and analysis	Proposal is supported by robust evidence and analysis
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	3	3	3	3
	Establishes a single tier of local government across West Sussex	Establishes a single tier of local government across West Sussex	Establishes a single tier of local government across West Sussex	Establishes a single tier of local government across West Sussex and Brighton & Hove

4.3 Options appraisal against government criteria continued

Gateway Test

A key principle is that no new council should be set up to fail. The new organisations should have relative equity and parity of financial resilience and sustainability, service demand levels and economic prospects from day one. Therefore, a gateway test was completed to assess the high-level viability of the four options. This test identified a financial imbalance in Options C and D where the southern unitary in each option would have been significantly disadvantaged. This imbalance meant that both options failed the viability test and were therefore ruled out.

At this stage a subsequent check back to the long list was also completed to ensure that none of the discounted options appeared viable now that the financial data was included. This process reaffirmed that all options had been correctly discounted.

4.3.2 Criteria 2: Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.

Government Assessment Criteria	Option A	Option B1/B2
a. As a guiding principle, new councils should aim for a population of 500,000 or more	**3** Single UA with population of 900,862	**3** Two unitaries between 408,251 and 492,611
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	Not applicable	Not applicable – guiding principle followed as any option for two unitaries would be below 500,000 at vesting day.
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	**3** Estimated efficiency savings are £48.8m net of additional costs (mid-point)	**2** Estimated efficiency savings are £18.8m net of additional costs (mid-point)
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	**3** Payback period is 2.3 years (mid-point)	**2** Payback period is 6.4 years (mid-point)

4.3 Options appraisal against government criteria continued

4.3.2 Criteria 2: Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks. continued

Government Assessment Criteria	Option A	Option B1/B2
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	**2** The new unitary council will contribute to improvements – financial challenges of increasing demand are still evident. Worthing EFS addressed	**2** The new unitary council will contribute to improvements - financial challenges of increasing demand are still evident. Worthing EFS addressed
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	Not applicable	Not applicable

4. Options assessment (economic case) continued

4.3 Options appraisal against government criteria continued

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

Government Assessment Criteria	Option A	Option B1/B2
a. Proposals should show how new structures will improve local government and service delivery and should avoid unnecessary fragmentation of services • Improved service delivery • Unnecessary fragmentation	**3** Improvements to service delivery identified	**3** Improvements to service delivery identified
	3 Minimal fragmentation	**2** More fragmentation
b. Opportunities to deliver public service reform should be identified, including where they will lead to better value for money	**3** Opportunities to deliver more integrated, preventative services and better value for money, with the potential for consistent policies, systems, and service approaches to be applied across the whole county area, maximising reach and impact	**3** Opportunities to deliver more integrated, preventative services and better value for money, with the potential for consistent policies, systems, and service approaches to be applied across the two authorities, maximising reach and impact
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	**3** Minimal risk to critical service stability	**1** Some disruption, to regulated services, which remain in fragile recovery following years of and ongoing improvement

4.3 Options appraisal against government criteria continued

4.3.4 Criteria 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.

Government Assessment Criteria	Option A	Option B1/B2
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	**3** Strong evidence	**3** Strong evidence
b. Proposals should consider issues of local identity and cultural and historic importance	**2** Acknowledges identity in a practical way	**2** Acknowledges identity in a practical way
c. Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed	**3** Structured and coordinated programme of local engagement has informed and shaped the business case	**3** Structured and coordinated programme of local engagement has informed and shaped the business case

4.3.5 Criteria 5: New unitary structures must support devolution arrangements.

Government Assessment Criteria	Option A	Option B1/B2
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	**2** Governance updated to reflect the new unitary council	**2** Governance updated to reflect the two new unitary authorities
b. Where no CA or CCA is already established or agreed then the proposal should set out how it will help unlock devolution	Not applicable	Not applicable

4.3 Options appraisal against government criteria continued

4.3.5 Criteria 5: New unitary structures must support devolution arrangements. continued

Government Assessment Criteria		Option A	Option B1/B2
c. Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities	Population ratio	**1** 1UA represent approximately 52% of the population of the Strategic Authority. Depending on the decision taken in East Sussex Ceremonial Area the other unitary authorities might represent between 16 and 31% each	**3** 2UAs would each represent around 26% of the population depending on configuration. Depending on the decision taken in East Sussex Ceremonial Area the other unitary authorities might represent between 16 and 31% each
	Timelines	**3** Vesting day planned for April 2028	**3** Vesting day planned for April 2028

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

Government Assessment Criteria	Option A	Option B1/B2
a. Proposals will need to explain plans to make sure that communities are engaged	**3** Community engagement structures will be formalised within the council	**3** Community engagement structures will be formalised within the councils
b. Where there are already arrangements in place it should be explained how these will enable strong community engagement	**3** Good practice will be developed as part of new council formation	**3** Good practice will be developed as part of new council formation

4. Options assessment (economic case) continued

4.4 Overview of our assessment

Below is a summary of our options appraisal that highlights how each arrangement performs against the criteria. This assessment incorporates the results of the financial assessment, which are described in detail later in this business case. The scoring for each criterion is broken down between quantitative and qualitative assessments, and we have scored each between zero and three:

0 – does not meet criterion
1 – it meets very few of the criterion
2 – meets some
3 – alignment to most or all

Criteria	Scoring by option			
	A	**B1/B2**	**C**	**D**
1. A proposal should seek to achieve for the whole of the area concerned in the establishment of a single tier of local government.	**2.8**	**2.8**	**1.6**	**1.8**
2. Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.	**2.7**	**2.2**	**–**	**–**
3. Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.	**3.0**	**2.2**	**–**	**–**
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.	**2.7**	**2.7**	**–**	**–**
5. New unitary structures must support devolution arrangements.	**2.0**	**2.7**	**–**	**–**
6. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.	**3.0**	**3.0**	**–**	**–**
Total score	**16.2**	**15.6**	**1.6**	**1.8**

4.4 Overview of our assessment continued

While the options appraisal provided a robust framework for evaluating the relative strengths and weaknesses of each structural option, the analysis did not identify any significant differences between Option B1 and Option B2, which represent alternative two-unitary configurations for West Sussex. Specifically, the uncertainty regarding the preferred location of Adur within these models was explored in detail.

To assess whether either option offered a stronger case, we undertook additional analysis of a range of factors, each considered through the lens of the Government's published evaluation criteria. This included:

- **financial sustainability:** examining not only revenue budgets but also balance sheet strength, including debt liabilities, reserves, and capital investment profiles
- **service delivery:** assessing demand profiles across key services, particularly adult social care, children's services and housing, and the extent to which these demands could be met within the capacity and footprint of the proposed unitaries
- **local identity and accountability:** considering demographic characteristics, travel-to-work patterns, and the cohesion of community and economic geographies
- **transition and deliverability:** reviewing the operational and governance implications of disaggregating the Adur and Worthing shared service arrangements, and the feasibility of implementation under each option

No material difference was identified between Options B1 and B2.

4.5 Summary (economic case)

The options have been assessed against the Government's six published criteria for local government reorganisation. Each option was evaluated using a consistent evidence-led methodology, with scores normalised to ensure comparability across all criteria.

Two options were discounted at an early stage, having failed to meet the threshold of financial viability criteria.

Options A, B1 and B2 all performed strongly. Options B1 and B2 scored closely together. Overall, the assessment does not offer a conclusive basis to favour one option over the other but provides a framework for each council to state their local preference.

Note: We understand that a further option that impacts West Sussex has been produced by Brighton & Hove Council. We have not had sight of this in advance of the finalisation of this business case.

5. Financial analysis (financial case)

5.1 Overall approach

The financial case and modelling approach has been developed with input from s151 officers (statutory finance leads) from the county council and all districts and boroughs. Externally the Chartered Institute of Public Finance and Accountancy (CIPFA) were commissioned to provide an independent panel comprised of experts, with prior and continuing experience in developing business cases as well as implementation of local government reform, to validate our assumptions.

It was agreed collectively to ensure consistency and a fair comparison and analysis of budgets, baselines, potential costs and savings that published Revenue Account Expenditure (RA) data 2025/26[6] would be used. This has been underpinned by specific budgetary and cost information provided by each authority, such as establishment budgets, where required.

Using the RA data, the baseline and financial modelling has been undertaken on the premise of LGR being implemented today in the West Sussex area. Although simplified, this approach allows the potential costs and benefits that would be incurred and the overall balance of funding and expenditure to be compared. Given uncertainties in local government funding and demand, this comparison with the current state was deemed appropriate and as such no inflationary pressures have been built into the approach at this stage.

There are structural deficits that exist across the county in some of the existing authorities where expenditure currently exceeds budget, and the gap is being funded from reserves and one-off funding. These, alongside proposed changes to the funding formula where West Sussex is expected to see a decrease in funding, will impact the financial baseline and longer-term sustainability of the options. This includes the Exceptional Financial Support (EFS) which Worthing is currently in receipt of. Any increase will put additional pressure on addressable spend within the relevant authority and any future approach adopted.

The financial positions of the councils are not static, and it will be important that councils continue to effectively manage their budgets and savings programmes. This may impact the ability of the new unitary authority/authorities to realise the estimated benefits and finance additional costs as authorities may have to make savings in advance of vesting day, potentially duplicating or reducing the base of addressable spend. It is assumed that all authorities will continue to deliver Medium Term Financial Strategy (MTFS) savings between now and vesting day, and that savings agreed within this financial case will be additional.

6. RA data refers to Revenue Account budget data, which is a return submitted annually by local authorities to the Ministry of Housing, Communities & Local Government in England outlining their planned revenue expenditure and financing for the upcoming financial year.

5. Financial analysis (financial case) continued

5.2 Financial principles

The following areas have been analysed and appraised as part of the financial case and model:

Financial baseline

A key consideration was ensuring each of the proposed options is financially sustainable and do not inadvertently financially disadvantage one area over another. To inform this, a financial baseline was created using the RA data for the options.

In the case of Option A this was the consolidation of all existing county, district and borough RA data. Due to the nature of the RA data, this would always show a balanced position, but it is important to note the structural deficits and funding formula changes that may impact the financial sustainability of Option A alongside Option B1/B2.

Option B1/B2 is more complex due to the nature of disaggregating service expenditure currently provided at a county level. To form the baseline these had to be disaggregated, and several iterations were completed to determine the most appropriate methodology. The final baseline was completed using a combination of population, demand data and income / current funding formula data.

It should be noted that county council RA costs and Council Tax baselines currently include costs and funding for the fire authority. These have been included at this stage for consistency and the complexities of removing these whilst acknowledging that longer-term these will sit with the combined authority.

It is not currently possible to model the impact of the proposed funding formula changes although this has been acknowledged as an ongoing risk. Refer to detail in section 5.9, financial risks.

5.2 Financial principles continued

Savings

When modelling, we have sought to make a clear distinction between savings derived as a direct result of LGR, such as removal of duplication, versus those resulting from alternative service delivery approaches and redesign. Our business case focuses only on those benefits that can directly be attributed to LGR.

Savings in the financial case have been categorised into four key areas for both Options A and B1/B2:

- staffing – estimated savings in relation to the implementation of LGR predicated on consolidation and subsequent efficiencies realised in Years 1 – 3 post vesting day
- councillors – it is assumed fewer councillors will be required across the county because of LGR, resulting in lower costs realised in Year 1 post vesting day
- non-staffing – estimated savings in relation to increased economies of scale and optimised use of resources realised in Years 1 – 4 post vesting day
- optimisation – estimated savings related to the design and implementation of alternative service delivery approaches, resulting in reduced demand, assumed to be not a direct result of LGR and occur in Years 2-5 post vesting day

Costs

For the purposes of the financial case and model for both Options A and B1/B2, costs have been split into three distinct categories:

- additional costs – are estimated recurring costs created because of aggregation or disaggregation in relation to both staffing and non-staffing costs incurred over Years 1 – 6 post vesting day
- transition costs – are estimated one-off costs that are incurred to support the creation of the new authority / authorities from 2025/26 through to Year 5 post vesting day
- Stabilisation costs – are estimated one-off additional costs that may be incurred to fund additional corporate capacity to embed workforce change and financial governance and controls in Years 1 and 2

5. Financial analysis (financial case) continued

5.2 Financial principles continued

Scenarios

The above areas have been assessed for the purposes of the financial case and model against three scenarios:

- base scenario – these are prudent lower estimates of reasonable and achievable potential savings and higher more prudent levels of additional costs
- stretch scenario – these are prudent stretch figures of the base scenario resulting in higher reasonable and achievable savings and lower additional costs. Both the transition and additional costs have been offset against the estimated savings to understand the net cost / benefit and payback period of implementing the proposals
- mid-point scenario – these are the mid-point between the base and stretch scenarios for both savings and additional costs

Phasing

Each of the individual savings, additional costs and transition costs have been phased by year, based on when it is anticipated these would be realised or incurred. It is important to note that some additional costs and transition costs will be incurred prior to vesting day from the financial year 2025/26. These have been included in the overall costs and benefits and payback period. The financial case has been modelled over a 10-year period from vesting day.

Validation and assurance

Throughout the development of the financial case, validation of the financial model has taken place with s151 officers of all West Sussex councils. Additionally, informally liaising with other authorities and bodies who have, or who are, currently undertaking the same process has helped to inform and validate assumptions.

Externally the Chartered Institute of Public Finance and Accountancy (CIPFA) were commissioned to provide an independent panel comprised of experts with prior and continuing experience in developing business cases as well as implementation of local government reform.

The panel used their experience from supporting previous reorganisations, reviews after the formation of new unitaries, and their template guidance to assess the reasonableness of the draft financial considerations. This included applying modelling principles, tolerances and an assessment of materiality in determining what was proportionate and should be included. Where agreed, appropriate suggestions and guidance from the panel have been incorporated and reflected in the financial case.

5.3 Baseline

Table 1 below sets out the estimated financial baseline for Option A and B1/B2. This demonstrates the estimated split of expenditure and income for Option B1/B2 were either option to be put in place for 2025/26.

Where a negative number is shown in brackets, this estimates a shortfall in income against expenditure and where positive income exceeds expenditure. The overall gap shows the total estimated unbalance between the west and east in Option B1/B2.

In Option B1, the west is estimated to be left with a shortfall of £1.4m resulting in an unbalance of £2.8m across the west and east.

In Option B2, the west is estimated to be left with a shortfall of £1.5m resulting in an unbalance of £3.0m across the west and east.

Table 1: Financial baseline

RA data	Option A	Option B1		Option B2	
	£m	West £m	East £m	West £m	East £m
Expenditure					
Council services – net of service income	(995.9)	(484.6)	(511.3)	(560.1)	(435.8)
Fire service	(43.9)	(20.0)	(23.9)	(23.1)	(20.8)
Education services	(717.4)	(296.0)	(421.4)	(356.0)	(361.4)
Housing benefits payments	(156.8)	(77.7)	(79.1)	(93.2)	(63.6)
Levies less trading surplus	4.2	(1.7)	5.9	(1.9)	6.1
Financing costs – interest	(39.7)	(24.3)	(15.4)	(24.1)	(15.6)
Income					
Ring-fenced grants	166.8	82.8	84.0	96.0	70.8
General grants	276.6	140.8	135.8	162.8	113.8
Schools grants – inc DSG	634.6	261.9	372.7	314.9	319.7
Business rates – retained income	148.9	81.6	67.3	99.3	49.6
Council Tax 2025/26	722.5	335.7	386.8	384.0	338.5
Sum – -ve is surplus	**0.0**	**(1.4)**	**1.4**	**(1.5)**	**1.5**
Overall gap	**–**		**2.8**		**3.0**

5. Financial analysis (financial case) continued

5.4 Costs and savings

The following tables set out each of the estimated total savings and additional costs for both Options A and B1/B2 at the mid-point.

Once a steady state has been established, Option A is estimated to deliver ongoing annual net benefits of £48.8m at the mid-point.

Table 2: Option A - ongoing/annual net benefits

Benefits (costs)	Mid-point £m
Staffing	20.4
Councillors	1.8
Non-staffing	9.8
Optimisation	21.2
Additional costs	(4.4)
Total ongoing / annual net benefits	**48.8**

Once a steady state has been established, Option B1/B2 is estimated to deliver ongoing annual net benefits of £18.8m at the mid-point.

Table 3: Option B1/B2 - ongoing/annual net benefits

Benefits (costs)	Mid-point £m
Staffing	13.4
Councillors	0.8
Non-staffing	6.8
Optimisation	21.2
Additional costs	(23.4)
Total ongoing / annual net benefits	**18.8**

5.4 Costs and savings continued

Additional costs

The following tables set out the estimated recurring costs created because of aggregation or disaggregation in relation to both staffing and non-staffing costs.

It should be noted disaggregation costs only apply to Option B1/B2.

Table 4: Option A - recurring additional costs

Option A	Mid-point £m
Local democratic arrangements	(1.7)
Pay harmonisation	(2.8)
Total	**(4.4)**

Table 5: Option B1/B2 - recurring additional costs

Option B	Mid-point £m
Back-office	(5.2)
Service delivery	(8.3)
Information technology	(6.0)
Local democratic arrangements	(1.3)
Pay harmonisation	(2.8)
Total	**(23.4)**

5. Financial analysis (financial case) continued

5.5 Transition costs

The following tables set out the estimated transition costs for both Options A and B1/B2 at the mid-point. These are planning assumptions at this stage and further work will be undertaken to refine them over the coming months. Any financing costs that may be incurred to support the transition have not been included at this stage.

Table 6: Transition Costs

Transition (costs)	Option A £m	Option B1/B2 £m
Restructuring	(14.7)	(10.3)
Implementation and programme delivery team	(11.5)	(12.5)
IT and contract management	(15.0)	(17.3)
Stakeholder engagement and communications	(1.5)	(1.5)
Shadow arrangements	(2.4)	(3.4)
Creation of new council	(1.0)	(2.0)
Close down activities	(1.3)	(1.3)
Shadow elections	(1.4)	(1.4)
Consultancy and audit	(3.0)	(3.0)
Stabilisation resource	(8.1)	(12.1)
Total transition costs	**(59.9)**	**(64.8)**

It is recommended a contingency of 10% is held of the total transition costs excluding restructuring and stabilisation resource. This has been excluded from the total costs and payback period.

Table 7: Contingency

(costs)	Option A £m	Option B1/B2 £m
Contingency	**(3.7)**	**(4.3)**

5.6 Payback period

The payback period is an estimate of the number of years required for the total cumulative net benefits to exceed the total transition costs (excluding contingency), effectively the repayment of the investment required.

The payback period is set out for Option A and B1/B2 below.

Currently at the mid-point, Option A pays back at 2.3 years and Option B1/B2 6.4 years.

Table 8: Option A – payback period

Benefits (costs)	Mid-point £m
Staffing	20.4
Councillors	1.8
Non staffing	9.8
Optimisation	21.2
Additional costs	(4.4)
Total ongoing / annual net benefits	**48.8**
Total transition costs	**(59.9)**
Payback period	**2.3 years**

5.6 Payback period continued

Table 9: Option B1/B2 – payback period

Benefits (costs)	Mid-point £m
Staffing	13.4
Councillors	0.8
Non staffing	6.8
Optimisation	21.2
Additional costs	(23.4)
Total ongoing / annual net benefits	**18.8**
Total transition costs	**(64.8)**
Payback period	**6.4 years**

5.7 Funding arrangements

Whichever option is selected, the implementation programme will be a significant cost – likely to be the equivalent of around twice the annual Council Tax increase of recent years. It is not appropriate, nor possible to fund this from Council Tax, as such we will need to identify other savings to fund the programme – especially in the early years before the financial savings start to flow through.

The programme will need to be run on an 'invest to save' principle with funding raised within the councils or with government support. We will review all available local funding sources to support this investment. However, adverse outcomes from the Fair Funding Review will impact the programme by constraining funding sources such as the availability of reserves or the ability to generate capital receipts. This risk must be actively managed to ensure that transition costs can be met without compromising service delivery or financial resilience.

Sources include:

Savings – savings generated through the programme can be used to fund the costs, noting that there is a lag between expenditure and savings.

Reserves – council's hold a range of specific and general reserves. Whilst many of these will be allocated to specific commitments it may be that on review some can be released/re-prioritised (permanently or temporarily) to support the investment requirement.

5. Financial analysis (financial case) continued

5.7 Funding arrangements continued

Assets – There are a wide range of buildings accounted for on balance sheets within the West Sussex system. As a result of LGR it is anticipated that requirements for office space will reduce, and that capital receipts may be realised in both Options A and B1/B2. These could be used to help fund transition costs but have not currently been estimated due to the complexities of pre-empting which buildings would be sold at this stage.

Business rates pool – there is currently a business rates pool in the county where retained business rates income set aside by each of the individual authorities has been pooled together over a number of years. This can be used to fund joint projects and could be used to fund a proportion of the transition and stabilisation costs, subject to other needs and priorities.

Capital Directives – this is where the Government permits the council to treat certain revenue spending as capital (long-term investment) expenditure. This enables the council to use, for example, capital funds generated from capital receipts to cover these revenue costs.

5.8 Council Tax implications

The amount of Council Tax required to fund services, and how this affects the amount residents will be required to pay longer term is a key consideration for ensuring financial sustainability of both Options A and B1/B2. The new unitary authority/authorities will need to formally decide how and over what period to harmonise Council Tax for their areas. Until rates are harmonised in an area there will be a difference in the increases to Council Tax between the former district and borough areas in each new unitary authority/authorities.

Currently the district and borough element of Council Tax for band D properties (used as the reference point when calculating Council Tax rates across an area) differ significantly with a 65% gap between the highest and lowest. As part of LGR in West Sussex the combined current Council Tax band Ds for district and borough councils and West Sussex County Council will need to be harmonised to a single set of charges for the unitary authority/authorities within seven years of vesting day.

For the purposes of the financial case, it has been assumed that Council Tax harmonisation will be implemented in Year 1 and therefore savings and costs have not been adjusted to account for any changes in Council Tax receipts.

The impact of Council Tax harmonisation in year 1 has been calculated assuming harmonisation to the alternative notional amount (ANA). This is the weighted average of the assumed final combined band D charge of the outgoing district and county council in each predecessor area. This provides a notional band D amount that would have been charged in the year (2027/28) prior to vesting day, had a unitary authority/authorities been in place.

5.8 Council Tax implications continued

The estimated alternative notional amount calculated includes an element that is currently used to fund the Fire Authority and as such will need to be separated out at the point the authority transfers to the Strategic Authority.

The table below sets out the estimated alternative notional amount and Council Tax baseline for 2028/29 (including Fire Authority). This assumes that referendum limits, set out by the Government, remain at current levels (2.99% overall and 2% ASC precept) and that Council Tax is harmonised in Year 1.

It should be noted that LGR-related increases in Council Tax are subject to the same existing referendum principles, and exceptions to this would have to be granted by MHCLG. The alternative notional amount which will formally be calculated and set by MHCLG prior to vesting day is used to ensure that any Council Tax increases that result from LGR are fair and comply with the principles at the time and increases must not exceed these.

Table 10: Estimated alternative notional amounts

	Option A	Option B1		Option B2	
		West	East	West	East
Alternative notional amount £	2,215.58	2,219.13	2,212.51	2,234.81	2,194.13
Estimated Council Tax baseline 2028/29 £m	833	387	446	443	390

5.9 Specific financial risks

The overall financial case and baseline for Options A and B1/B2 should be considered in the context of the following ongoing key financial risks, wider risks noted in the risk log and the detailed assumptions set out in Appendix 5.

Existing MTFS savings – it is assumed that prior to vesting day, the existing authorities will continue to deliver planned savings. It is acknowledged that these savings are likely to potentially duplicate or reduce the estimated savings in the financial case.

Funding formula changes – a consultation is being undertaken on the proposed approach to local authority funding reform through the Local Government Finance Settlement from 2026-27. This includes key areas that could impact the financial case, such as local authority funding allocations and the long-term plans for business rates retention. Early analysis indicates that this could result in a significant reduction in funding within the county and this is likely to not only affect the financial sustainability of Options A and B1/B2 in the longer term but also their ability to fund significant transition costs whilst facing additional pressure on core spending.

Structural deficits – it is recognised there are structural deficits that exist in some councils in the county where expenditure currently exceeds budget, and the gap is being funded from reserves and one-off funding (including EFS). This is not explicitly accounted for in the RA net service expenditure data but should be noted as a potential risk for long term financial sustainability.

Shared service arrangements – it has been assumed for the purposes of the financial case that in Option B1/B2 shared service arrangements will be in place where long-term contractual commitments are in place for county wide capabilities including ICT, Procurement, Waste Disposal and Highways. Without these in place there is a significant risk that additional costs associated with disaggregation will significantly increase. Shared arrangements will require the new councils to agree to common standards and processes to effectively deliver services. The impact of local choice would need to be reviewed and may impact the ability to manage costs.

Savings – whilst a prudent approach to savings has been undertaken, it is not possible at this stage to fully understand and distinguish where all savings are cashable or may be non-cashable for example where expenditure is funded by a ring-fenced grant. Therefore, it should be noted that whilst it may still be possible to reduce expenditure in these cases, there may be restrictions on how the saving can be utilised.

Disaggregation – there is little recent evidence and examples of unitarisation where county level services have been disaggregated. This makes it difficult to estimate potential costs of disaggregating county level services. An initially higher set of costs were considered in developing the financial case, but these have been revised downwards based on best judgement and advice from the CIPFA panel, as well as judgement about balancing risks across all assumptions in the business case.

5. Financial analysis (financial case) continued

5.9 Specific financial risks continued

DSG Deficit – the Government has recently announced a further two-year extension of the current statutory override arrangements on Dedicated School Grant (DSG) deficits to March 2028 while government works with local authorities on reforms. Currently the county council is forecasting an in-year overspend of £70m this financial year bringing the total forecast deficit accrued to £193.3m by March 2026. This overspend is anticipated to continue to increase in future years. The outcome of any reforms on DSG and the statutory override will potentially impact significantly on the future financial sustainability of all three Options.

Agreement will be needed with DfE about how the current DSG funding is split between the new authorities in Option B1/B2, including the High Needs Block (HNB) also having regard to the implications on treasury income. We will work with DfE to ensure that this is done on an equitable basis in line with the split of SEND expenditure. Any HNB deficit reserves would also need to be split and transferred to the new authority / authorities in line with the split of expenditure and DSG funding.

There is a risk that the current trajectory and funding arrangements could see spending increase and an unfunded deficit transfer. West Sussex County Council will work diligently to mitigate this as far as possible, but if additional pressures do emerge prior to vesting day then West Sussex County Council will work with DfE to ensure this pressure is split equitably where possible between authorities to avoid any one authority being disproportionately disadvantaged.

Adur and Worthing joint working arrangements – Adur and Worthing currently have a shared management structure and a number of shared services. In the case of Option B1 where Adur and Worthing are placed in different authorities, this may incur additional costs of disaggregation that have not explicitly been factored into the financial case because they are not considered to be financially material in the context of the overall costs provided for already.

Borrowing – whilst there are several options to fund the cost of transition it should be noted that borrowing may still have to be undertaken if other funding sources are not sufficient and that borrowing costs have not been factored into the financial case at this stage.

Housing Revenue Account (HRA) – the HRA sits outside of General Fund revenue expenditure and has not been included within the financial case. There are three HRAs within West Sussex (Adur, Arun and Crawley), with some 14,500 properties, a further 2,500 leasehold units, an annual income of over £100m and a combined debt of over £368m. It should also be noted that structural financial pressures exist both nationally and locally within HRAs where cost escalation has outpaced CPI. The longer-term impact will place additional financial pressure on Options A and B1/B2. Social Housing has recently become re-regulated and as such the Regulator for Social Housing will seek assurance regarding the Safety and Quality Standard in the event that any HRAs are merged. These implications and the way they are managed which will need to be factored into reorganisation as the chosen option become clearer.

See Appendix 5 for modelling assumptions and financial model.

6. Implementation (management case)

6.1 Operating principles

The path to unitarisation

The creation of new unitary authority/authorities in West Sussex provides a unique chance to build on the high-quality services delivered today. The new unitary authority/authorities will be able to harness already strong partnerships and develop an operating model that makes this stronger, optimising resources whilst ensuring flexibility to meet local priorities. By integrating services, we can design joined-up, proactive and preventative support for residents and communities.

The future operating model will not be imposed centrally but developed collaboratively, through a detailed, structured and inclusive transition plan. Until the Secretary of State decides on the preferred option for unitary government in West Sussex we are not able to fully progress the design of the new council(s) however we can begin the preparation phase from October 2025 and focus on building our understanding and exploring operating model elements to ensure we are ready for when the decision is made and the significant work required.

Governance and political leadership

In line with the Government's expectations for unitary authorities, contained in the English Devolution and Empowerment Bill[7], the new authority or authorities will adopt a Cabinet and Leader model of governance. The model is familiar to West Sussex with seven of our eight predecessor councils already using this governance approach.

A governance structure will be designed to ensure strong democratic oversight and effective governance, including scrutiny, audit, and regulatory functions. We will ensure that these arrangements reflect the diverse needs of local communities and maintain robust transparency and accountability. Consideration will also be given to:

- area or locality arrangements (informed by Devolution Bill requirements)
- mechanisms for involving town and parish councils
- co-design of constitutional arrangements with councillors during the transition phase

When the Secretary of State has confirmed the unitary option for the West Sussex area, we expect to work with their officials to agree the initial number of councillors for the new council(s). For planning purposes, we have assumed: 100 for a single unitary (alignment to be determined) and 70 per unitary for a two unitary model (two per former county council ward).

A unitary model offers an opportunity to expand democratic leadership and strengthen the role and influence that councillors have in shaping services that matter most to their residents.

By replacing the current two-tier authority system with a single tier of unitary governance, the model simplifies accountability, amplifies the voice of communities, and strengthens the connection between local people and strategic decision-making.

7. English Devolution and Community Empowerment Bill: Guidance 10 July 2025

6. Implementation (management case) continued

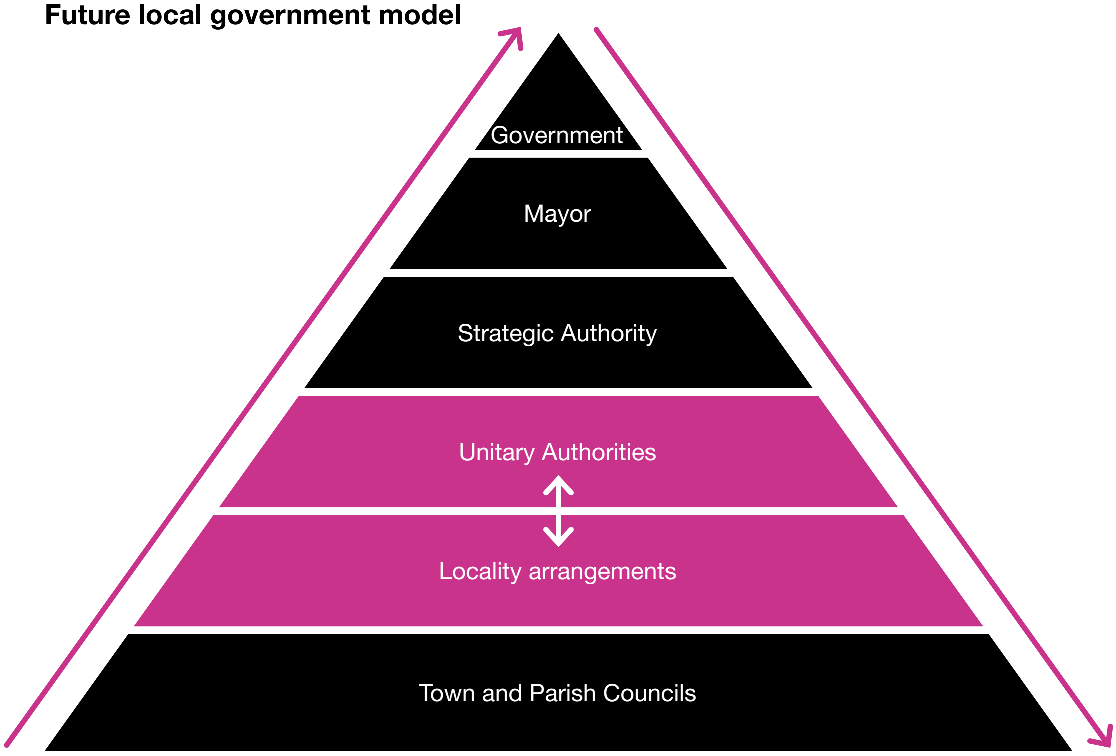
6.1 Operating principles continued

By aligning decision-making within a single organisation, West Sussex will be better placed to reflect community priorities in its interactions with central government – particularly in relation to devolution, investment, and public service reform. The clarity of a unitary structure makes it easier to develop and communicate a shared strategic vision, while enabling genuine influence from the ground up.

At the heart of the model is a strengthened approach to locality working and ensuring ability to articulate hyper-local needs. These will be integrated into the wider system through enhanced locality arrangements, ensuring that local priorities are actively reflected in countywide planning, budgeting, and delivery.

This simplified and joined-up system creates clearer lines of communication, accountability, and influence – from neighbourhoods to the council chamber, and from West Sussex to the Strategic Authority.

Future local government model



Locality arrangements

The county of West Sussex is characterised by a diversity of communities – from rural villages to coastal towns and urban centres. It is widely recognised that one risk of moving to a unitary authority/authorities covering a wide geographic area is the loss of local connection and access.

Leaders have expressed the importance of locality arrangements being hardwired into the structure of the new unitary authority/authorities, building on the positive experiences of locality models already in use within existing councils.

6.1 Operating principles continued

Partners, such as the NHS, reported through the engagement, the value of local connection, particularly keeping services close to communities, and preserving local economic identity. They also noted how voluntary and community organisations work would be supported by the new structure, noting the importance of third sector in preventative services and the opportunity for better integration in a new unitary model.

It is their expectation that towns, parishes and other relevant local agencies are actively engaged in the development of locality arrangements to ensure that they support the needs their communities. They are clear that we will not create neighbourhood arrangements that don't have any purpose. The following are seen as the foundations for future design work:

- **local decision making** – ensuring decisions are made as local as possible by those with direct insight into the needs of communities
- **logical locality boundaries** – unitarisation offers the opportunity to align with natural communities and community identities
- **visible local delivery** – empowering frontline teams to work flexibly in neighbourhoods
- **locality spending** – ability to reflect local needs and priorities across services, informed by effective input from stakeholders
- **enhance local leadership** – working with existing town and parish councils to strengthen community leadership

Shared services and enablers

To maximise value for money and ensure cost-effective support services, we will explore the use of shared services in a two unitary model - particularly in corporate, technology and services reliant on long term county area contractual commitments. Where it is operationally and commercially viable, shared services will help:

1. Reduce duplication.
2. Standardise systems and processes.
3. Deliver scalable digital platforms.
4. Improve procurement power and resilience.

Following our initial engagement with services we anticipate delivering the following services through shared arrangements:

- ICT infrastructure and systems (to reduce duplication) – the county council has invested in the development of a modern network that is used by other public partners as well as itself. Further, some infrastructure is on long leases so moving away from a common model would incur additional costs – see Appendix 10

6. Implementation (management case) continued

6.1 Operating principles continued

- waste disposal services – the service is underpinned by long term PFI contracts which would be cost-prohibitive to untangle. New disposal sites would require long term projects to plan and develop necessitating shared arrangements in the medium term in any event[8].
- highways services – the service is delivered via a recently procured 10-year contract which would be complex to untangle[8].
- finance, payroll and HR platforms – the county council has invested heavily in a new Oracle Fusion enterprise resource planning (ERP) platform which operates on a 'Software as a Service' (SaaS) model. This can be adapted to provide ERP capabilities to multiple entities allowing investment to be maximised[9].
- procurement, legal and audit services (to maximise scale economies in centres of excellence)
  - the county and some district and boroughs currently use a shared audit service (proposed this continues)
  - common elements of procurement (maintaining existing shared services)
  - legal services can be shared to reduce the need for individual councils to retain all specialisms in line with lifecycle needs – see Appendix 6

The extent and form of shared services will be developed through the detailed design phase in consultation with councils and partners. To be effective the new councils will need to agree to common standards and processes to effectively deliver services. If councils seek a high level of variation in service standards the sharing may be deemed unviable which will impact the financial and delivery assumptions.

Shared services are a key model consideration to balance risk and cost, at least over the medium term, to enable continuity, scalability and financial control during the significant change process. Following vesting day, as new models embed, and the large contracts expire the shared approach can be reviewed.

6.2 Transition approach

Continuing our ongoing collaboration and commitment to LGR

West Sussex councils have already made significant progress in getting to this stage. The current collaborative approach and a dedicated programme provides a strong foundation for delivering a successful transition.

8. Appendix 6 – Service delivery insights and considerations
9. Appendix 10 – IT reorganisation

6.2 Transition approach continued

While the programme will, as a minimum, ensure that all changes are safe and legal, we recognise that compliance alone is not the benchmark of success. Our ambition and approach to transition is built on the principle of maintaining momentum, ensuring that the preparatory work already undertaken is built upon to enable rapid mobilisation and a detailed plan is ready to go once a decision is made.

Critically, we are committed to enabling early delivery of benefits, recognising the importance of releasing savings and improving service efficiency as soon as possible[10]. This will help to alleviate demand pressures and support financial sustainability from the outset. Optimisation of service models will be phased and prioritised to ensure that capacity is protected, the risk to critical services is managed and value is maximised throughout the transition period, for example:

- **stopping doing something** – take the opportunity to identify processes/ services that are no longer necessary in the new unitary authority/authorities. This will also include retiring outdated systems or contracts especially where integration offers better value and outcomes
- **starting doing something** – introduce new practices, services or systems that better fit the unitary model, support integrated delivery, local working and strengthens partnership opportunities
- **keeping it the same** – maintain services that are already aligned to best practice, deliver strong outcomes and have a high public satisfaction or statutory compliance. This may support continuity and stability during transition
- **enhancing and optimising** – where services have potential for improvement, transformation approaches such as redesign, automation or integration will apply. Co-design and innovation will feature strongly in this area. This is the value adding phase, where transformation drives long-term impact

Bringing colleagues and services together will not be achieved overnight. Stakeholder and staff engagement will be central to the programme's success, and a change management plan will be developed to support the transition. We will develop new shared values and culture across the new structures, ensuring that staff and their representatives are supported, informed and involved throughout the change process. Continued engagement and involvement with residents and partners will ensure transparency, build trust and reflect local ambition and the vision for West Sussex.

An equality impact assessment has been completed to support this business case. While no service changes or policy changes are being decided at this stage it highlights considerations for a new authority/authorities, to help ensure positive impacts are achieved and negative impacts mitigated. It will need to be revisited and developed further once a decision is made, ensuring inclusive outcomes are incorporated in the design phase.

10. Appendix 8 – Risk register sets out the benefit realisation risks

6.2 Transition approach continued

Delivery and governance

Our approach to transitioning to unitary local government will be grounded in strong leadership, robust programme management, continued collaborative working and a clear commitment to risk management, while driving innovation. The governance structure for the implementation programme is designed to ensure strategic oversight, operational coordination, and effective delivery across all phases of transition.

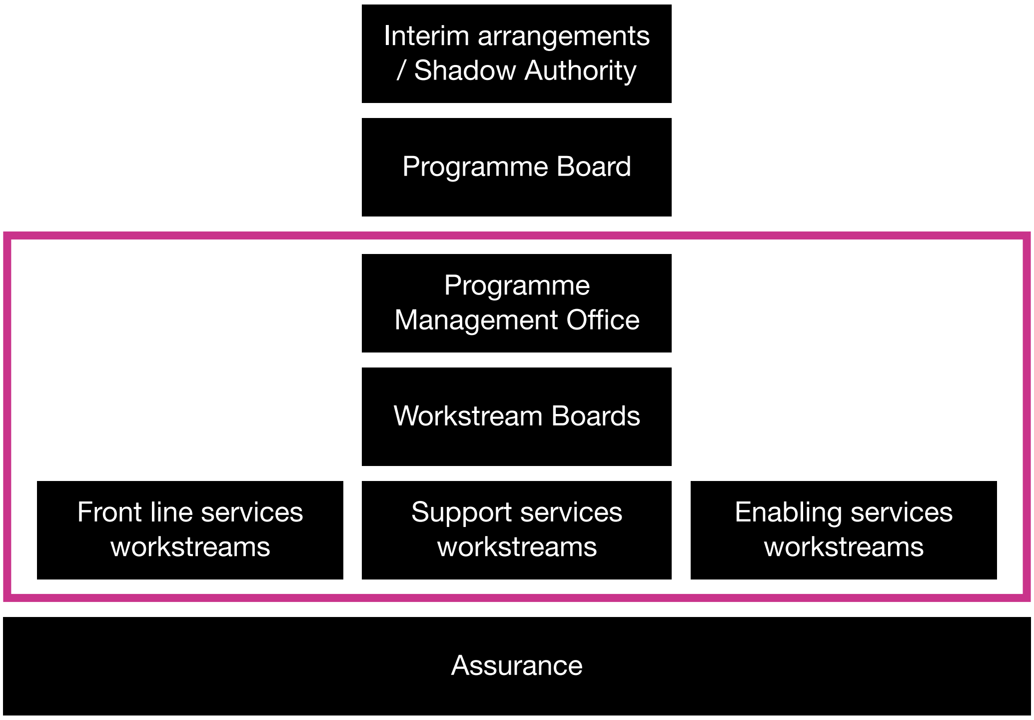
The programme will build on the current governance arrangements, providing a strong and inclusive platform for implementation. Governance will evolve through the different phases of the programme lifecycle to reflect the changing focus of delivery. Overall accountability will sit with a Member-led Board, with representation from each authority to ensure political leadership and inclusive decision-making.

At the heart of the delivery will be a single Programme Management Office (PMO), supported by multi-disciplinary workstreams and boards. Due to the high level of coordination required, it is recommended that the same team supports either a single or two-unitary creation. Specific support will also be provided to individual councils and the shadow executive as needed, such as assigning two operating model leads in the two-unitary option. The team, which is expected to be a mix of internal and external resources, will drive the implementation forward, ensuring alignment with strategic objectives while maintaining the flexibility to respond to emerging risks and local priorities.

MHCLG will continue to support the programme through delivery and the programme team will continue to engage with specialist professional services for assurance.

6.2 Transition approach continued

Delivery and governance continued



Delivery phases

A phased approach will be adopted, largely driven by government decision making, budget setting and election parameters. The key deliverables are set out below, supported by a high-level implementation plan[11].

PREPARATION Oct 2025

- Government consultation – autumn 2025
- Secretary of state decision – Mar 2026
- Mobilise programme team

PLANNING Apr 2026

- Establish interim arrangements
- Prepare structural orders
- Plan for critical enabling IT system alignment

DELIVERY Apr 2027

- Shadow Authority – May 2027
- Statutory officer – permanent appointments
- Pre-transfer consultation
- Section 24 directive
- Operating model design
- Budget setting
- Constitution design

OPTIMISATION Apr 2028

- Vesting day for new Council(s)
- Operating model implementation
- Optimisation programme
- Close down of legacy councils

11. Appendix 7 – Implementation plan

6. Implementation (management case) continued

6.2 Transition approach continued

Resource implication

A well planned and managed transition plan will ensure safe, legal and successful delivery for vesting day. The transition costs as set out in the financial case[12] are one-off and directly related to the activities as set out above to establish the new unitary. Costs to achieve the implementation include:

- programme delivery – a single team supporting one or two delivery programmes
- service workstreams – teams of specialists to progress key thematic areas
- specialist consultancy and independent assurance costs
- developing new enabling capabilities – IT systems, novation of contracts
- establishing the new authorities – legal, HR, communications and consultation
- shadow arrangement for councillors and officers to support the new unitary prior to vesting day – establishing the Shadow Executive, backfill of service specialist to develop the new service delivery models and officers to enable the dissolution of legacy councils
- a provision for restructuring

It is assumed that the councils will create a reserve to fund the transition that will be financed through a mix of business rates pool, reserves, capital receipts and savings subject to detailed financial planning and necessary financial approval. As set out throughout and particularly regarding the financial risks, the cost of change should not be underestimated and any material changes to local government funding will impact on the ability to deliver this programme successfully.

Transition considerations and risks

Risk management[13] will be embedded throughout the programme, with proactive identification, mitigation, and monitoring of risks – particularly those affecting Adult and Children's Social Care, Special Educational Needs and Disabilities and homelessness services and other statutory services. Maintaining business as usual during the transition is a core principle, ensuring that essential services continue to operate effectively while transformation progresses.

For all options, transition planning must ensure:

- continuity in critical services, especially statutory or regulated areas, including any requirement for upfront transformation and change management
- clear approaches to managing legacy contracts, assets, and liabilities
- workforce engagement to input to cultural change and new operating models
- IT and data systems integration or separation, as appropriate engagement with partners and residents to maintain trust and service quality

12. Section 5 – Financial case

13. Appendix 8 – Risk register

Conclusion

This business case provides a common evidence base and has demonstrated that both single and two unitary models are viable options for the future of local government in West Sussex.

The options appraisal, undertaken against the Government's published criteria, indicates that Options A, B1 and B2 are broadly comparable in their ability to meet the Government's tests.

It is for individual councils to consider the full range of evidence and analysis presented in this business case and determine their own stated preference for submission to the Secretary of State.

All councils have worked respectfully and collegiately through this process. Whilst the councils may have different views on their preferred options, as West Sussex councils we are committed to continued collaboration to get the best outcome for residents and wider stakeholders and to work together to implement whatever the Government's chosen solution is.

Therefore, to maximise this opportunity we would make the following requests to the minister:

1. Continue to provide clear and transparent guidance to make the complex process of reorganisation as streamlined as possible. The councils in West Sussex have collaborated in good faith, and in line with your guidance, have used the district and borough boundaries as the building blocks for unitary structures. We have used the money (£315,172) you allocated to us to fund the development of this business case wisely, focusing in on realistic propositions for sustainable local government in West Sussex. We have used internal resources from our collective resource pool and not engaged teams of consultants to develop proposals that go beyond this remit.

2. Please take note of our strong commitment to local arrangements which should enable the new unitary authority/authorities to be highly sensitive to the differing needs of communities – whilst we have not developed these in the detail at this stage – we are mindful of the upcoming legislation in this area which we will use to inform appropriate arrangements.

3. If required, support the councils to access Exceptional Financial Support to "invest" in the transition programme. Given wider demand and change pressures the West Sussex councils are unlikely to have surplus funds to progress the programme without additional up-front investment.

4. Continue to work with us and provide an early indication of the decision to ensure we can effectively plan and prepare for this complex change.

Glossary of terms

Term	Definition
1UA	Single Unitary
2UA	Two Unitary Authorities
ASC	Adult Social Care
BC	Borough Council
CSC	Children's Social Care
DC	District Council
EFS	Exceptional Financial Support
FEMA	Functional Economic Market Area
HMA	Housing Market Area
ICB	Integrated Care Board
LGR	Local Government Reorganisation
MHCLG	Ministry of Housing, Communities and Local Government
MTFS	Medium Term Financial Strategy
ONS	Office for National Statistics
RA	Revenue Account Expenditure
SA	Strategic Authority
SEND	Special Educational Needs and Disabilities
UA	Unitary Authority
VCSE	Voluntary, Community and Social Enterprise sector
WSCC	West Sussex County Council

Appendices – enclosed in a separate document

Number	Title
1	West Sussex profile
2	Partner overlays
3	Engagement activity and findings
4	Options evaluation evidence
5	Financial modelling and sensitivity analysis
6	Service delivery insights and considerations
7	Implementation plan
8	Risk register
9	Equalities impact assessment
10	IT implementation
11	Summary of source information

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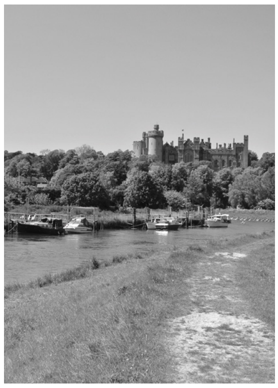
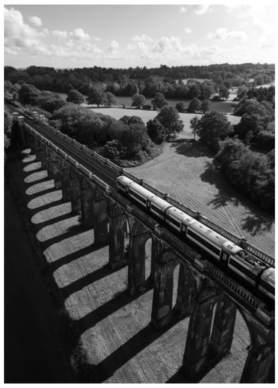
Shaping West Sussex

Appendices to support the response to the Government's invitation on local government reform

Appendices, September 2025





Adur District Council
Arun District Council
Chichester District Council
Crawley Borough Council
Horsham District Council
Mid Sussex District Council
West Sussex County Council
Worthing Borough Council

Contents

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Owned by:
West Sussex
Local Government
Reorganisation
Programme

This document has
been designed and
formatted internally

Appendix 1: West Sussex profile

West Sussex is a diverse and historically rich county, with roots tracing back to the ancient Kingdom of the South Saxons and the historic county of Sussex. By the 12th century, Sussex had been informally divided into eastern and western regions, based on the county's six medieval subdivisions known as rapes. This division was formalised by the County of Sussex Act of 1865, which officially recognised East and West Sussex as separate administrative areas.

Under the Local Government Act of 1888, West Sussex became an administrative county with its own elected county council. Further reforms under the Local Government Act of 1894 led to the creation of district councils within West Sussex, introducing a two-tier system of local government that remains in place today.

Today West Sussex covers an area of 769,000 square miles and is home to more than 900,862 residents. This diverse area encompasses strong urban centres, coastal communities, rural villages, market towns and villages, and a number of protected landscapes. This diversity of place contributes to a wide range of social, economic, and environmental characteristics, which shape local service demand and infrastructure needs.

Some areas experience higher service demand, and there are pockets of deprivation, uneven access to services, and increasing pressures on housing across both urban and rural settings. Coastal areas have strong tourism economies, yet face ongoing issues relating to inequality, housing supply, and health outcomes. The urban areas demonstrate cultural vitality and opportunities for economic growth while experiencing increasing demand for infrastructure and public services, and rural areas offer a good quality of life whilst contending with challenges such as social isolation, transport connectivity, and affordability of essential services.

The West Sussex economy is diverse and blends traditional sectors like agriculture and tourism with growing strengths in advanced manufacturing, business services, and logistics. Gatwick Airport plays a vital role, driving jobs, investment, and international connectivity. The county is also seeing growth in creative industries, green technologies, and construction - supported by a skilled workforce and relatively low unemployment (2.9%)[1] Land has been allocated for a significant Science and Tech Park on Mid Sussex. In 2022, West Sussex's economy was valued at £26.7 billion in Gross Value Added (GVA), reflecting its significant contribution to both the South-East region and the wider UK economy[2].

1. West Sussex Economic Strategy – Evidence Report – 2025-35
2. West Sussex Economy Snapshot – April 2024 (Not suitable for assistive technologies)

Appendix 1: West Sussex profile continued

The key features and characteristics of West Sussex are:

Population and demographics

West Sussex has a resident population of approximately 900,862, which is projected to increase by around 74,000 by 2035. This growth is largely concentrated among residents aged 65 and over, whose share of the population is expected to rise from 23% in 2023 to 27% by 2035. In contrast, the proportion of the working-age population is expected to decline slightly from 59% to 58%, while the under-16 age group is projected to see a more significant decrease, from 18% to 15% over the same period. This demographic shift presents long-term challenges for workforce sustainability and public service demand. The county also exhibits notable spatial inequality, with pockets of deprivation alongside more affluent areas, leading to disparities in health, education, and employment outcomes.

Urban centres and economic hubs

Large towns and urban centres, including Crawley, a designated new town, are key economic drivers, with strong transport links and diverse populations. Gatwick Airport and the concentration of high-value employment provide a particular economic strength. Horsham, Haywards Heath and Burgess Hill are also economically strong, with high levels of employment and educational attainment, but face challenges related to housing affordability and infrastructure capacity.

Economic infrastructure

The West Sussex economy is intrinsically connected to wider regional and national networks. The county's proximity to London, Brighton & Hove, and the Portsmouth-Southampton corridor creates strong commuter and business links, while Gatwick Airport serves as a major international gateway for trade, tourism, and investment. The county also benefits from access to Shoreham Port and nearby coastal infrastructure, supporting logistics and marine industries. These external connections help drive growth in sectors like advanced manufacturing, creative industries and green innovation, and position West Sussex as a key player in the broader south-east economy.

Coastal communities

Coastal towns like Bognor Regis, Littlehampton and Worthing, face socio-economic challenges, including high deprivation, poor health, and low educational outcomes. Their older populations increase demand for care and strain local services. Tourism supports jobs and income but is seasonal and low-paid, limiting stability. Along the same coastal strip, more affluent areas, such as Goring-by-Sea, East Preston, and West Wittering, enjoy better health, higher incomes, and premium housing, highlighting sharp inequalities that add complexity to local planning and service delivery.

Appendix 1: West Sussex profile continued

Rural and protected landscapes

Over half of West Sussex – 53% of its total area – is designated as protected landscape. The South Downs National Park accounts for the largest portion, covering 41% of the county. Additionally, the Chichester Harbour National Landscape spans 3.0%, while the High Weald contributes a further 9.9%. While these landscapes are key environmental and economic assets, they also present challenges, including limited access to services, poor digital connectivity, and constraints on housing development.

Socio-Economic variation

West Sussex shows notable socio-economic variation, with areas like Arun and Crawley among the 10% most deprived in England[3], while other districts perform well across income, education, and health. The population grew by 7.8% between 2011 and 2021, slightly above the south east average of 7.5%, according to the ONS Census 2021[4]. However, productivity remains below national and regional levels, with many jobs in lower-value sectors[5]. An ageing population, 23% aged 65+ in 2022, projected to reach 28% by 2035, is placing growing pressure on services).

Infrastructure and growth pressures

Rapid housing growth, particularly in northern and eastern West Sussex is driving increased demand for transport, schools, and health services. The Combined Authority offers an opportunity to improve the planning and delivery of infrastructure investment to support this.

Current West Sussex councils

West Sussex is a two-tier area served by seven district and borough councils and a county council.

Council	Population[4]	Area (Hectares)	% of West Sussex area	Type
Adur	64,687	4,000	2.0%	Coastal/urban
Arun	168,008	23,000	11.4%	Coastal/rural
Chichester	128,003	81,000	40.1%	Coastal/rural
Crawley	120,545	5,000	2.5%	Urban
Horsham	149,464	53,000	26.2%	Urban/rural
Mid Sussex	157,915	33,000	16.3%	Urban/rural
Worthing	112,240	3,000	1.5%	Coastal/urban
West Sussex	900,862	20,200	—	Coastal/urban/rural

3. The English Indices of Deprivation 2019
4. Local indicators for West Sussex – ONS
5. West Sussex Economic Strategy – Evidence Report

Appendix 1: West Sussex profile continued

Current West Sussex councils continued

District and borough councils are responsible for services including:

- waste and recycling collection
- housing
- revenues and benefits
- planning and development management
- leisure centres
- parks, sports pitches and playgrounds
- building control
- environmental health

The Council Council is responsible for services including:

- education
- transport
- social care – adults and children
- libraries
- waste disposal

Town and parish councils

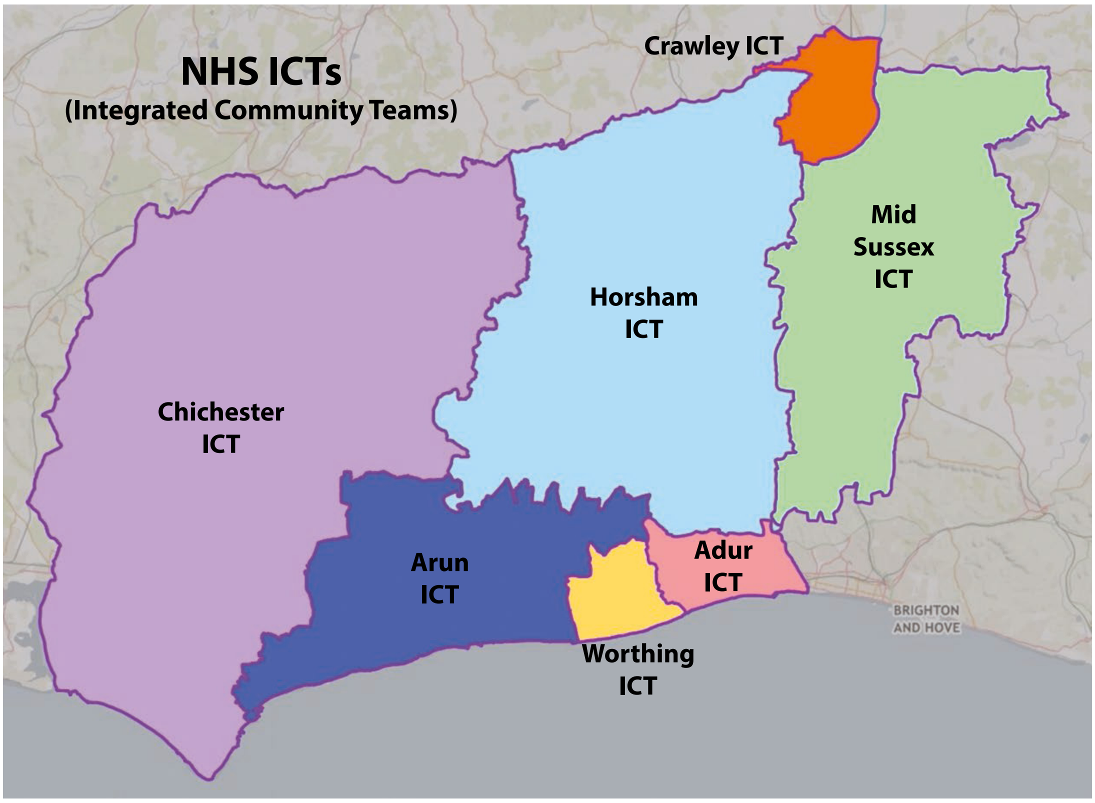
Some areas also have town or parish councils which are responsible for some services, facilities and public spaces within a community such as some parks, village halls, allotments, litter bins and local events.

County, district and borough councils are directly affected by the Government's plans for local government reorganisation. Town and parish councils will remain as they currently are.

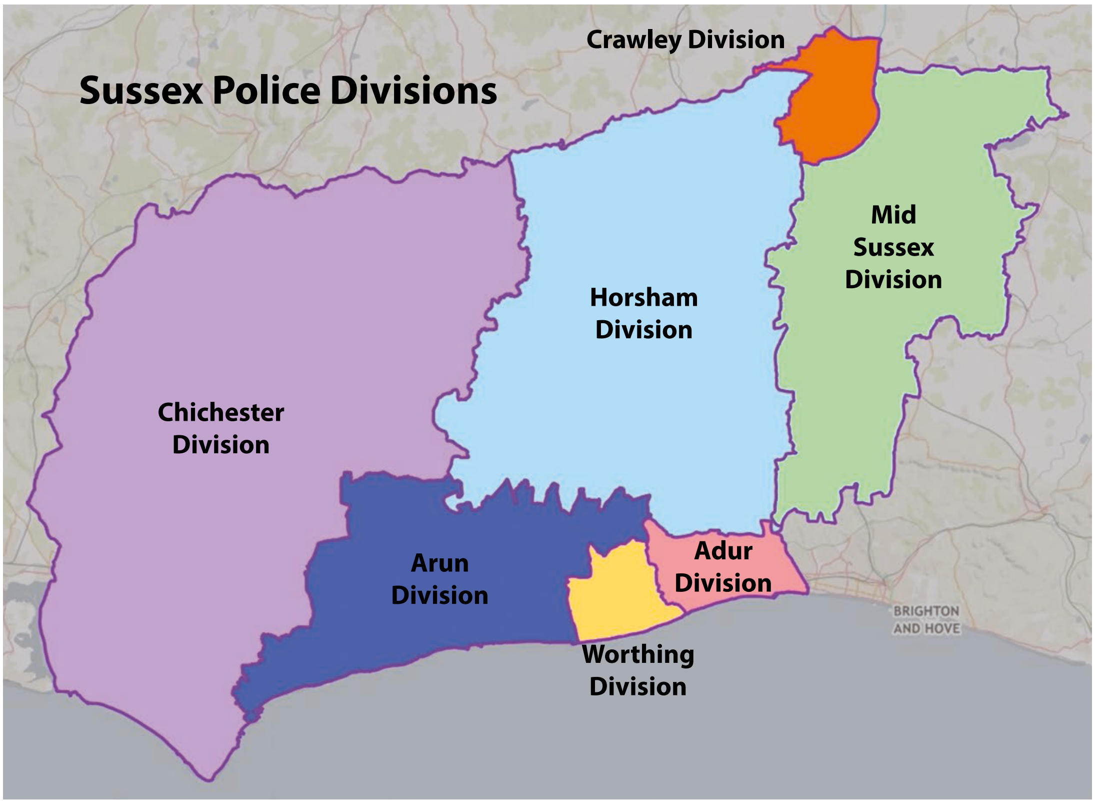
Appendix 2: Partner overlays

Note - **Sussex Integrated Care Board (ICB)** currently operates across East and West Sussex and Brighton & Hove. There are active plans to merge NHS Sussex and NHS Surrey Heartlands ICBs into a single ICB. The new ICB would cover both Sussex and Surrey and is expected to be operational by April 2026.

NHS Integrated Care Teams (ICTs)



Sussex Police



Appendix 3: Engagement activity and findings

3.1 Introduction

Our programme of planned engagement included residents, staff, public sector providers such as health, police, education and fire services, maritime organisations, the voluntary sector, local businesses, environmental organisations, community groups and councils. Our insight, communications and engagement work has been carried out to inform the development of this business case, and to understand the preferences of groups, how they use our services now and how they might in the future. This insight will also help shape operating models and inform future engagement needs.

We undertook a stakeholder mapping exercise and utilised a tailored sector-based approach to reach these groups to raise awareness, gather insights and to encourage partners to share engagement work with their networks. The priority was to achieve meaningful engagement with key stakeholders within the timeframe. We also had a focus on establishing and nurturing ongoing relationships with existing and new stakeholders to set a firm foundation for ongoing engagement work.

3.2 Methodology

Alongside residents, staff and unions, we used stakeholder mapping to identify contacts in the key groups below:

- stakeholders with a direct influence, such as MPs and elected members
- stakeholders where close working throughout the process will be key to service delivery. Including public safety, education and health partners, city, town, parish and neighbourhood councils
- stakeholders whose support throughout the process will be important for the local economy, environment and tourism, including key economic partners, Business Improvement District (BID) groups, large developers and national park
- stakeholders with an important voice on behalf of groups of residents, providing valuable insight into our more vulnerable residents or those least likely to engage through wider campaign work. This included our third sector organisations, resident and housing associations and community groups
- stakeholders with more importance at a local level, whose support will be helpful and who might have specific questions that it would be useful to address directly, this included contract holders, sports clubs, sustainability groups, museums and cultural contacts, as well as strong local voices

Appendix 3: Engagement activity and findings continued

3.2 Methodology continued

The engagement work ran alongside the submission timetable from central government. To offer the most meaningful engagement for our residents and stakeholders, we launched the public engagement only once we had undertaken sufficient modelling to present the strongest and most financially viable options for our area in line with the government criteria. Public engagement ran for a four-week period concurrently with further modelling being undertaken. Findings were used to support decision making on preferred options as well as provide an evidence base to support future operating model development. We used various approaches to maximize the impact. These included face-to-face meetings and workshops, webinar and QA sessions, a direct email campaign as well as our more universal engagement work directing the public to a survey, available online and in hard copy. There were tailored versions of the survey for residents and those working in West Sussex, stakeholders and council staff. This was supported with a microsite providing relevant contextual information. Promotion of this included a continued cross-council social media campaign both pre and post launch, with graphics and an in-house explainer video, press releases, print leaflets, local digital screen displays, local promotion by customer facing teams, posters and promotion in local online and print media. A standardised core approach was adopted with additional targeting locally where required to boost and balance engagement in harder to reach areas.

Staff, unions and elected members were engaged through existing channels supplemented with additional face-to-face briefings, email communications and newsletters in the run up to, during and after the engagement period. The staff variation of the survey captured their preferences as well as information about ongoing needs as we progress through local government reorganisation.

Insights have been gathered through meeting notes and webinar records, as well as through the survey platform, and taken by email through a dedicated email address. For stakeholders representing a group or community, responses have been reviewed separately from individual submissions to ensure collective perspectives have been acknowledged and appropriately treated in our findings. Our goal is to ensure that no single voice is lost, and that all contributions, whether individual, from staff, elected members or stakeholders on behalf of groups are fairly reflected in the final analysis.

Individual survey responses have been treated and presented anonymously.

3.3 Response rates

In total we received 9,332 survey responses. 75% of responses were from the public, 23% were from members of staff from one of the county, district or borough councils within West Sussex and 2% from stakeholders or representatives from stakeholder groups.

Appendix 3: Engagement activity and findings continued

3.3 Response rates continued

Demographic summary

We asked for demographic data from public respondents, some 5000 respondents opted to provide some information to help ensure we had gathered a balance of responses.

Of those responding:

- 55.8% identified as female, 40.9% identified as male, 0.2% preferred to self-describe and 3.1% preferred not to say
- 25% were aged 55-64, 23% were aged 65-74, 17% were aged 45-54,14% were aged 75-84, 10% were aged 35-44, 5% were aged 25-34, 4% prefer not to say, 1% were aged 18-24, 1% were aged 85 and over, less than 1% were aged under 17
- 13% reported additional needs, health conditions or neurodiversity

3.4 Headline preferences

From all survey responses gathered 23% preferred a single unitary model, 62% preferred a two unitary model and 16% had no preference at this stage.

Of the two unitary models 28% preferred B1, 62% preferred B2 and 10% had no preference at this stage.

This report now goes on to look at the responses in more detail by group – public, stakeholders and staff.

3.5 Quantitative analysis (public responses)

Key preferences

Overall preferences for public responses are reported below:

- 23% preferred a single unitary model, 62% preferred a two unitary model, 16% had no preference at this stage
- Of those preferring a two unitary model, 28% preferred B1, 62% preferred B2, 10% had no preference at this stage

Appendix 3: Engagement activity and findings continued

3.5 Quantitative analysis (public responses) continued

Comparative Insights (public responses)

Public preferences by area

	Adur %	Arun %	Chichester %	Crawley %	Horsham %	Mid Sussex %	Worthing %
Preference for a single unitary model	18	25	26	20	21	19	29
Preference for a two unitary model	**71**	**60**	**59**	**63**	**60**	**64**	**58**
No preference at this stage	11	15	15	17	19	17	13

Public preferences between two unitary models by area

	Adur %	Arun %	Chichester %	Crawley %	Horsham %	Mid Sussex %	Worthing %
Preference for Option B1	12	**47**	**56**	7	16	14	24
Preference for Option B2	**85**	45	32	**83**	**67**	**74**	**70**
No preference at this stage	3	7	11	10	17	12	6

Appendix 3: Engagement activity and findings *continued*

3.6 Qualitative analysis (public responses)

Public responses for those in favour of a single unitary model mostly fell into the below key themes:

- **efficiency and cost savings** – belief that a single authority would reduce duplication, streamline services, and save money on administration, staffing, and infrastructure. Respondents in favour of a single unitary gave support for pooling resources and achieving better value through bulk procurement, shared services, and unified systems
- **clarity and simplicity for residents** – preference for a single point of contact and clearer accountability, avoiding confusion over which council is responsible. Respondents also cite opportunity for reduced bureaucracy and more consistency of service. Support for combining services like social care, education, housing, and transport under one authority for improved coordination
- **preservation of West Sussex identity** – strong emotional and cultural attachment to West Sussex as a single entity, with concerns about losing this identity if split
- **strategic planning influence** – belief that a single authority would have a stronger voice in regional/national matters and better capacity for long-term planning
- **minimised disruption** – preference for maintaining existing county-wide services to avoid costly and complex restructuring

Public responses for those in favour of Option B1 are summarised below:

- **localism and accessibility** – preference for governance that is closer to communities, with better understanding of local needs, more locally attuned planning and easier access to services. Concerns that a single authority would be too large, remote, and disconnected from local priorities. Desire to retain distinct identities of towns and districts, fearing they would be diluted in a larger authority
- **increased representation** – concern that a single authority would favour larger urban centers. Option B1 is seen as more balanced and equitable. Fear that larger structures would lead to inefficiency, slower decision-making, and loss of democratic accountability
- **service delivery and efficiency** – belief that smaller authorities would deliver services more effectively and responsively

Appendix 3: Engagement activity and findings *continued*

3.6 Qualitative analysis (public responses) continued

- **geographic, cultural and economic cohesion** – preference for Option B1 due to better alignment of communities and demographics. Adur seen as better placed with Crawley/Horsham. Belief that the areas grouped in Option B1 (Arun, Chichester, Worthing) share similar characteristics, demographics, and priorities. Views that Option B1 allows better focus on local economic needs, transport, housing, and coastal issues

Public responses for those in favour of Option B2 are summarised below:

- **localism and accessibility** – belief that smaller authorities are more responsive, democratic, and better connected to residents. Concern that a single authority would be too large, remote, and unresponsive to local needs. View that Option B2 allows for more tailored, effective services, especially for coastal and urban areas
- **support for coastal cohesion** – preference for grouping coastal districts together due to shared geography, economy, and challenges
- **preservation of Adur and Worthing partnership** – strong desire to maintain the existing joint services and identity
- **economic and infrastructure synergy** – recognition of shared transport, and economic links within the coastal strip and Gatwick corridor
- **democratic representation and identity** – concern that larger models dilute representation and community identity; B2 seen as more balanced.

Public responses for those with no preference at this stage are summarised below:

- **understanding operating models** – some respondents didn't feel that they had sufficient understanding of the implications to indicate a preference at this stage
- **representation and accountability** – concerns about losing local representation and accountability if larger unitary authorities are created and on costs and efficiency
- **variety of geographic and demographic needs** – some comments on the variation between rural, coastal, and urban communities, and how a unitary authority could serve such diverse needs. Responses noted the value of local identity and expressed that a reorganisation should be driven by residents' needs
- some respondents favoured no change at all, seeing current structures as adequate

Appendix 3: Engagement activity and findings *continued*

3.6 Qualitative analysis (public responses) continued

Other insights gathered from public responses

- **on place and community**
  - 54% of public responses to the question 'which aspect of your local area do you most strongly identify with?' selected their district or borough area. For those selecting the type of area 40% most strongly identified with a coastal area
  - most respondents identified with and spent leisure time in their nearest towns. For those with a greater connection to a town farther away, Brighton and London were commonly selected outside of West Sussex
  - 88% of respondents felt their emotional and personal connection to where they live was somewhat or very strong
- **on services respondents currently use**
  - parks and green spaces, transport and infrastructure, waste and recycling collections and street cleansing were described as those that matter most to individuals
  - 41% said they engage with their local council very infrequently, perhaps only once a year or even less. This might include minimal interaction with their services or attending very few events, 40% reported engaging occasionally – a few times a year. This might include attending occasional meetings or using services a few times a year. 19% were regularly engaging currently
  - 66% typically travel very locally to access services (up to 4 miles)
- **on opportunities**
  - from this reorganisation respondents most wanted to see more joined-up services that work better together, better quality services for residents and a clearer understanding of who is responsible for what
  - the highest perceived risk was that areas might miss out on specific local focus or understanding of unique identity
  - respondents most commonly reported that transport and infrastructure (such as local road repairs, pavement/footpath repairs, streetlights) could benefit most from integration or simplification
  - on future engagement on local government reorganisation, the preferred communication methods were websites, digital newsletters and printed leaflets or newsletters

Appendix 3: Engagement activity and findings continued

3.7 Qualitative analysis (stakeholders)

We held 21 stakeholder sessions where we sought to explain the process and record key feedback. We have also gathered 314 stakeholder responses via our online survey platform and nine letters from individual stakeholders or groups.

The following feedback collates comments gathered in meetings and webinar sessions with West Sussex MPs, city, parish, town and neighbourhood councils, Sussex Police and Police and Crime Commissioner, West Sussex Fire and Rescue, NHS stakeholders including representatives of Integrated Care Board, key maritime organisation contacts, education stakeholders including university, college, primary and secondary contacts, local BID groups, Sussex Chamber of Commerce, Gatwick Diamond Businesses, larger businesses and representative groups within the local economy, environment, voluntary and third sector community groups . From survey responses submitted, feedback includes 63 from local councils, 63 from local charities, Community Interest Companies, and community organisations, 56 from business and commercial organisations including SMEs, chambers of commerce, and sector-specific associations, seven environmental and conservation groups including the Sussex Wildlife Trust and RSPB, 11 from other public bodies including feedback from Sussex NHS, Sussex Police, Govia Thameslink Railway and Shoreham Port.

Common themes raised included:

- **the value of local connection** – particularly keeping services close to communities and preserve local economic identity
- **striking a balance** between financial and strategic concerns, and the potential for coordinating funding resources and information sharing and the opportunity to simplify and streamline arrangements
- **taking on learning from other areas** that have undertaken local government reorganisation
- **concerns about potential costs,** particularly for those currently with lower council tax rates
- **partnership working** – how voluntary and community organistions work would be supported by the new structure, noting the importance of third sector in preventative services and the opportunity for better integration in a new unitary model
- a specific consideration was raised around building in future arrangements for the Fire Authority

Appendix 3: Engagement activity and findings continued

3.7 Qualitative analysis (stakeholders) continued

Themes from those supportive of a single unitary model included:

- **financial sustainability** and ability to better strategically direct resource to need
- **transition considerations** – some of the larger stakeholders delivering services across the county felt a single unitary could allow for an easier transition
- **the risk of fragmentation** of adult social care across multiple pathways and the importance of maintaining consistency
- **strategic opportunities** – the potential that a single authority may enable more coherent long-term planning across transport, housing, and economic development
- **economies of scale** – reduced duplication, and streamlined services.
- **simplified governance** – easier for residents to understand who is responsible for services
- **continuity and resilience** – less disruption to existing services and partnerships

Themes from those supportive of a two unitary model included:

- **better local accountability** – closer links with communities and greater representation. Concerns about a single unitary centralising power and decision making
- **service responsiveness** – smaller authorities seen as more agile and better attuned to local needs
- **risk mitigation** – some noted a reduced risk of service disruption through this model and more manageable transition

Those favouring Option B1 cited:

- **balanced model** – positives of balancing the coastal and rural representation
- **local identity** – some specific concerns raised over diluting Chichester's rural identity and economic profile in Option B2

Those favouring Option B2 cited:

- **local responsiveness** – benefits of keeping the coastal areas together highlighting local responsiveness and environmental planning
- **economic opportunity** – the scope to create a 'coastal powerhouse' and leveraging the opportunity to create a hub for maritime innovation and growth

Appendix 3: Engagement activity and findings continued

3.7 Qualitative analysis (stakeholders) continued

Those with no preference at this stage

Some attendees did not indicate a preference at this stage. Either wanting to further consider costs, delivery models, service impacts, and governance, or wanting to take back learning to consider implications of various models within their organisations. Some did not have a preference but did want to be included in future engagement to ensure alignment of service delivery as we proceed through the process.

Additional comments raised

For NHS services that have been built around Integrated care teams aligned with current district boundaries, changing these would pose significant challenges for commissioning and delivery.

3.8 Quantitative analysis for stakeholders completing the online survey

Headline stakeholder preferences from survey responses:

- 23% prefer a single unitary model
- 58% prefer a two unitary model
- 19% have no preference at this stage

Of those stakeholders preferring a two unitary model:

- 34% preferred a two unitary model Option B1, 52% preferred Option B2, 14% have no preference at this stage

Appendix 3: Engagement activity and findings continued

3.8 Quantitative analysis for stakeholders completing the online survey continued

Other insights gathered

- 80% felt that they understand the current structure of local government in West Sussex
- 54% reported that they understood local government reorganisation well, with a further 32% reporting some understanding
- 65% felt that the current structure meets the needs of their organisation
- 50% felt that a new unitary structure will better meet the needs of their organisation in the future
- The three council services most used by stakeholders responding were:
  - planning and development (such as planning applications, planning enforcement, building control/safety, protecting old buildings, local development plans, affordable housing)
  - communities (such as public events, activities for young people or families
  - economic development (such as support for local businesses, grant funding, supporting local attractions, tourism – encouraging visitors)

The aspects of this reorganisation that stakeholders most frequently identified as beneficial to their organisation were:

- more joined-up services that work better together
- more coordinated strategic planning and infrastructure decisions
- a clearer understanding of who is responsible for what

Stakeholder respondents felt that planning and development had the most potential to benefit from integration or simplification.

The most reported risk was that areas might miss out on specific local focus or understanding of unique identity.

Appendix 3: Engagement activity and findings continued

3.9 Quantitative analysis (staff)

Overall preferences for staff are reported below:

- 29% preferred a single unitary model, 55% preferred a two unitary model, 16% had no preference at this stage
- of those preferring a two unitary model, 23% preferred B1, 64% preferred Option B2

Comparative Insights (responses by location or subgroup)

There were some variations in preferences by area.

Staff preference by employer

	Adur %	Arun %	Chich-ester %	Crawley %	Horsham %	Mid Sussex %	Worthing %	West Sussex %
Preference for a single unitary model	17	12	11	8	13	18	9	**55**
Preference for a two unitary model	**71**	**74**	**79**	**79**	**75**	**72**	**66**	24
No preference at this stage	12	15	10	13	12	10	25	21

Staff preferences between two unitary models by employer

	Adur %	Arun %	Chich-ester %	Crawley %	Horsham %	Mid Sussex %	Worthing %	West Sussex %
Preference for Option B1	3	38	**53**	6	10	6	8	25
Preference for Option B2	**96**	**49**	24	**78**	**77**	**79**	**92**	**62**
No preference at this stage	1	13	23	16	13	14	0	13

Appendix 3: Engagement activity and findings continued

3.10 Qualitative analysis (staff)

Comments from those preferring a single unitary model

- **economies of scale and cost efficiency** – strong support for reducing duplication, streamlining services, and achieving financial savings through centralisation
- **simplification, consistency and clarity for residents** – belief that a single authority would be easier for residents to understand and access, reducing confusion over responsibilities. Desire for uniform and coordinated service standards across the county. Some respondents commented that services like libraries, waste, and social care benefit from countywide delivery
- **minimising disruption and risk for staff and services** – concern that splitting services and teams (for example social care, education, highways) would be complex, costly, and disruptive
- **retention of county identity** – preference to maintain the established identity of West Sussex
- **better integration with partners** – some felt a single authority would work more effectively with NHS, emergency services, and regional bodies
- **digital and back-office efficiency** – support for shared systems, IT, HR, and finance functions to reduce overheads and improve service delivery

Comments from those preferring Option B1

- **localism and community identity** – desire to preserve local character, responsiveness, and democratic engagement, concern that one authority could be too large, remote, and disconnected from local needs. Support for a mix of urban, rural, and coastal areas to ensure fair representation and resource allocation. Preference for grouping areas with shared challenges
- **geographic logic and accessibility** – preference for a split that reflects natural geography, travel patterns, and manageable distances
- **service delivery and efficiency** – belief that smaller units would better tailor services to local needs and avoid dilution
- **existing collaboration** – recognition of existing partnerships that would be strengthened
- **staff concerns (travel, job security)** – worries about longer commutes, relocation, and loss of local office presence or jobs
- **economic and housing strategy alignment** – some felt that Option B1 better supports strategic planning for housing and economic development
- **cultural and environmental fit** – preference for grouping areas with shared landscapes, infrastructure, and challenges

Appendix 3: Engagement activity and findings continued

3.10 Qualitative analysis (staff) continued

Comments from those preferring Option B2

- **opposition to a single unitary model** – concern that one authority could be too large, remote, and disconnected from local needs
- **preserving existing collaboration** – preference to keep Adur and Worthing together due to shared services, contracts, and identity. Recognition of current partnerships that would be disrupted by other models
- **geographic and demographic logic** – support for grouping coastal authorities together and separating inland ones based on shared challenges and characteristics. Particular support for unified coastal planning, flood resilience, and marine-focused initiatives
- **service delivery and localism** – belief that smaller units would better tailor services to local needs and maintain community engagement
- **staff concerns (travel, job security)** – worries about longer commutes, relocation, and loss of local office presence or jobs
- **financial and operational practicality** – preference for a model that balances financial viability and supports manageable population sizes
- **community identity and representation** – desire to retain local identity and ensure fair representation in governance

Appendix 4: Options evaluation evidence

4.1 A proposal should seek to achieve for the whole of the area concerned in the establishment of a single tier of local government.

Government Assessment Criteria	Evaluation evidence
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. i. Sensible economic area. ii. Appropriate tax base.	West Sussex comprises a mix of different Strategic Market Areas (SMA) and Functional Economic Market Area (FEMA). Findings from GL Hearn show that all the main Housing Market Area (HMA) and FEMA are contained within the county boundary. The alignment of other options with areas can be assessed from this data. Whilst much of the county looks in, there is a clear pull from the southeast to Brighton & Hove, southwest to Portsmouth, and northeast/east to London/Gatwick. Insights from a 2017 report by GL Hearn, which seeks to define the SMA/FEMAs using a range of different data points, has been used. This is the only robust evidence available although noting this draws on data from between 2001 and 2014 meaning any post-covid impacts are not reflected. Source: Defining the HMA and FEMA report
	Revenue Account Budget data and Pixel funding model has been used to create an income and expenditure across the West Sussex area. This has been apportioned across the district and borough areas as "building blocks" to enable comparison of the tax base relative to the anticipated service expenditure. The different options show differences in alignment which has been used to assess the appropriateness of the tax base (relative to current year demand). Source: Local authority revenue expenditure and financing Assessment approach: tax base relative to demand.
b. Proposals should be for a sensible geography which will help to increase housing supply and meet local needs.	West Sussex has significant local challenges in meeting housing need – the South Downs National Park and wider Areas of Outstanding Natural Beauty have inherent planning restrictions, whilst dense urban areas in Crawley and coastal towns are geographically constrained. 53% of the county area is either National Park or AONB. These challenges are reflected in the adopted local plans that don't meet the governments targets. Whilst new plans will need to be developed by the new unitary council(s) we have used the current plans to assess the relative balance of supply and need. Fewer planning authorities should simplify the development of local plans and ease the interaction with the Combined Authority. Over time, harmonisation of the planning policy framework under 1 or 2 unitary councils, should mean more consistency for those promoting sites. A more strategic view of infrastructure investment should also be possible with the support of the Combined Authority. Source: Housing need summary. Assessment approach: supply/demand balance from existing agreed local plans (April 2025).

Appendix 4: Options evaluation evidence continued

4.1 A proposal should seek to achieve for the whole of the area concerned in the establishment of a single tier of local government. continued

Government Assessment Criteria	Evaluation evidence
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.	Each option replaces the current two-tier structure with streamlined governance, improved accountability, and the opportunity to simplify and align delivery functions. A shared business case has been developed collaboratively by all councils, using a consistent evidence base and analytical approach. The expected outcomes include both financial and non-financial benefits: potential for improved service improvement and opportunities for staff. Estimated costs and savings are set out in the financial and management cases and are supported by scenario modelling. Engagement with partners, staff, councillors and local organisations has informed the case and shaped the development of both options. Source: Strategic Business Case – section 3. Financial case – section 6. Local Engagement Survey – Appendix 3.
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.	All options meet the Government's requirement to establish a single tier of local government across the entire area. The current two-tier structure of county, districts and boroughs will be fully replaced with either one or two unitary councils, co-terminus with the former upper tier boundary. The resulting council(s) will build on the legacy of the predecessor councils - maximising the opportunity to re-think service delivery models and structures to improve service outcomes and improve efficiency and effectiveness. Source: management case – section 6.

Appendix 4: Options evaluation evidence *continued*

4.2 Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.

Government Assessment Criteria	Evaluation evidence
a. As a guiding principle, new councils should aim for a population of 500,000 or more.	The population of West Sussex is 900,862 (ONS) and the seven district and borough areas are variable in size. Unitary options have been developed that get as close to 500,000 as possible, whilst also maintaining balance between the two authorities. Source: ONS. Assessment approach: UA (or all UAs) exceed 15% of 500,000 (425,000) within 15 yrs.
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.	See above.
c. Efficiencies should be identified to help improve councils' finances and make sure that council tax payers are getting the best possible value for their money.	Efficiency savings have been identified across the different expenditure areas in all West Sussex councils. See financial case. Source: financial case – section 5. Assessment approach: total savings relative to each other.
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.	The financial case outlines the range of efficiency savings available through reorganisation, service optimisation, and the sharing of resources. Source: financial case – section 5.

Appendix 4: Options evaluation evidence continued

4.2 Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks. continued

Government Assessment Criteria	Evaluation evidence
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.	West Sussex councils have delivered extensive savings for many years to continue to fund key services. Demand, especially for critical services such as Adult Social Care, Children's Services and Homelessness continues to grow beyond increases in funding. The creation of unitary authority/ authorities will see the districts and borough councils with financial challenges brought together with other councils to improve financial resilience. One of the councils (Worthing Borough Council) is in receipt of Exceptional Financial Support and this may be needed until vesting day. The new council that inherits Worthing is expected to settle this funding through wider transition savings. A phased transition plan and funding has been developed which indicates that the councils will require funding to enable the savings delivery. Subject to a detailed review of all balance sheet commitments, it is expected that we will seek some Exceptional Financial Support in the early years to be repaid from the LGR savings. Source: Worthing council report - Feb 2025
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.	Not applicable.

Appendix 4: Options evaluation evidence *continued*

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

Government Assessment Criteria	Evaluation evidence
a. Proposals should show how new structures will improve local government and service delivery and should avoid unnecessary fragmentation of services.	Improvement to service delivery: both options enable aggregation of district and borough services into larger, unitary organisations. The new unitary authority/authorities allow consolidation, presenting a clear platform for improving service delivery, subject to effective implementation. Overall, integration is widely seen as an opportunity to improve outcomes over time. Source: district and borough service insight templates: 1:1 service lead discussions. More information available in Appendix 6.
	Avoid unnecessary fragmentation: the single unitary model avoids the need to disaggregate any existing county council services, maintaining continuity in professional leadership, statutory governance, and service delivery. This is seen as reducing operational and legal risk during transition, with professional judgement indicating minimal risk of unnecessary fragmentation under this structure. The two unitary model would require the disaggregation of existing services and systems, introducing added complexity and greater potential for disruption. But these risks are considered manageable with strong planning and coordination. Source: 1:1 service lead discussions. More information available in Appendix 6.
b. Opportunities to deliver public service reform should be identified, including where they will lead to better value for money.	Both models offer clear opportunities to deliver public service reform, enabling more integrated, preventative services and better value for money. Stakeholders highlighted inefficiencies and duplication in current arrangements, which both these models could address through simplification and alignment. The structural changes are seen as creating a credible platform for long-term transformation and improved outcomes. Realising these benefits will depend on investment in capability, strong leadership, and a clear plan for service redesign and transition. Source: district and borough service insight templates: 1:1 service lead discussions. More information available in Appendix 6.

Appendix 4: Options evaluation evidence continued

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

Government Assessment Criteria	Evaluation evidence
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.	The single unitary option retains existing structures for critical services, supporting safe, legal continuity. It is seen as a more stable platform for transition and may enable earlier realisation of benefits through aggregation and transformation. Risks to service resilience, governance and delivery are considered low. The two unitary model would require disaggregation of regulated functions, introducing additional complexity and elevating risk to service continuity. The added complexity comes at a time when services like Children's, SEND and Adults remain in fragile recovery following years of ongoing transformation, in part driven to modernise delivery, but also to avoid formal intervention. These risks are viewed as manageable with strong planning, appropriate resourcing and additional governance, particularly in the early years of transition. Consideration will be needed in both options for how to manage Fire Services given likely transfer to the new Strategic Authority – timing not confirmed. Source: professional insight from service leadership and cross-system engagement. For more information see Appendix 6. Assessment approach: financial impact on critical services relative to each other/balance between different UA (where split).

Appendix 4: Options evaluation evidence continued

4.4 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.

Government Assessment Criteria	Evaluation evidence
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.	Councils adopted a coordinated approach to local engagement, co-designing and delivering a programme that reached a wide range of stakeholders, including staff, residents, public service partners, businesses, voluntary groups, elected councillors, and town and parish councils. The engagement used a mix of surveys, webinars, and direct conversations to test awareness, explore local priorities, and understand perspectives on structural options and place identity. Insights from this process informed the development and refinement of both models, ensuring the proposals reflect the views and needs of local communities. Source: Appendix 3 for engagement results.
b. Proposals should consider issues of local identity and cultural and historic importance.	All options reflect established localities by using existing district and borough boundaries as their basis. This approach supports recognition of cultural centres, economic links and community associations, providing a degree of local resonance and administrative familiarity. While not designed around identity alone, each option maintains geographic groupings that are well understood locally and align with how many residents already experience place. Source: Option prospectuses; design principles and boundary mapping.
c. Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed.	A structured programme of local engagement has been completed, designed to inform and shape the development of both options. Feedback has helped to identify local priorities and concerns which have informed the development of the business case. Mechanisms are in place to capture, analyse and respond to feedback, and a full summary of engagement findings and resulting changes is included in the final case business case. We held 21 stakeholder sessions where we sought to explain the process and record key feedback. We have also gathered 314 stakeholder responses via our online survey platform and nine letters from individual stakeholders or groups. Of the 9,332 responses to the survey 23% preferred a single unitary model, 62% preferred a two unitary model and 16% had no preference at this stage. Of the two unitary models 28% preferred B1, 62% preferred B2 and 10% had no preference at this stage. Source: Appendix 3 for full engagement analysis and insights.

Appendix 4: Options evaluation evidence continued

4.5 New unitary structures must support devolution arrangements.

Government Assessment Criteria	Evaluation evidence
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.	Any unitary council in West Sussex will be part of the Sussex and Brighton Strategic Authority (Mayoral Strategic Authority will be established in 2026). As this entity has not been created the requirement to change will need to be re-assessed post business case. At this stage it is anticipated that the governance will need to be amended to reflect the final number of unitaries in West Sussex. Close working with government will be required to seek appropriate representation in the form of voting rights. English Devolution and Community Empowerment Bill, Part 1, Point 6 confirms decision making is a simple majority and one vote per organisation. Source: English Devolution and Community Empowerment Bill
b. Where no CA or CCA is already established or agreed then the proposal should set out how it will help unlock devolution.	Not applicable.
c. Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities.	Population ratios within Sussex: across Sussex the populations covered by all authorities will not be confirmed until the Secretary of States decisions are made. There are different views on the options for the East Sussex area (which includes BHCC) assumptions have been made on the likely sizes. For comparative purposes it is assumed two unitaries for East Sussex (including BHCC) which is an average of 417,000. Source: ONS. Assessment approach: population alignment with Unitary compared to others in Sussex.
	Timeline that works for CA/CCA: the new unitary authority/ authorities will be designed and implemented between 2026 and 2028, this will allow the new strategic authority the opportunity to establish its priorities and inform council change plans. Assessment approach: programme impacts on timeline.

Appendix 4: Options evaluation evidence *continued*

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

Government Assessment Criteria	Evaluation evidence
a. Proposals will need to explain plans to make sure that communities are engaged.	Leaders across West Sussex are all committed to ensuring that future models will maintain strong community engagement. Initial thinking around community engagement models building on local and national experiences of neighbourhood working has taken place. The intention is to develop this further during the design phase via engagement with appropriate stakeholders, including trialling some practices where appropriate. Source: see section 6.1.
b. Where there are already arrangements in place it should be explained how these will enable strong community engagement.	Across the councils, a range of arrangements are already in place for community engagement. The intention is to build on these, drawing lessons and good practices from within our communities and beyond. For example: • district and borough councils have deep experience of large-scale planning projects, such as District Plans, in which stakeholders are widely engaged • county council have locality lead officers in place to support local groups and voluntary sector organisations Source: see strategic case – section 3.

Appendix 5: Financial modelling and sensitivity analysis

5.1 Overall approach

The financial case and modelling approach has been developed with input from s151 officers (statutory finance leads) from the county council and all districts and boroughs.

It was agreed collectively to ensure consistency and a fair comparison and analysis of budgets, baselines, potential costs and savings that published Revenue Account Expenditure (RA) data 2025/26 would be used. This has been underpinned by specific budgetary and cost information provided by each authority, such as establishment budgets, where required.

Using the RA data, the baseline and financial modelling has been undertaken on the premise of LGR being implemented today in the West Sussex area. Although simplified, this approach allows the potential costs and benefits that would be incurred and the overall balance of funding and expenditure to be compared. Given uncertainties in local government funding and demand, this comparison with the current state was deemed appropriate and as such no inflationary pressures have been built into the approach at this stage.

There are structural deficits that exist across the county in different councils where expenditure currently exceeds budget, and the gap is being funded from reserves and one-off funding. These, alongside proposed changes to the funding formula, may impact the financial baseline and longer-term sustainability of the options. This includes the Exceptional Financial Support (EFS) which Worthing is currently in receipt of. Any increase will put additional pressure on addressable spend within the relevant authority and any future approach adopted.

The financial positions of the councils are not static, and it will be important that councils continue to effectively manage their budgets and savings programmes. This may impact the ability of the new unitary authority/authorities to realise the estimated benefits and finance additional costs as authorities may have to make savings in advance of vesting day, potentially duplicating or reducing the base of addressable spend. It is assumed that all authorities will continue to deliver Medium Term Financial Strategy (MTFS) savings between now and vesting day, and that savings agreed within this financial case will be in addition.

Appendix 5: Financial modelling and sensitivity analysis continued

5.2 Financial principles

The following areas have been analysed and appraised as part of the financial case and model:

Financial baseline

A key consideration was ensuring each of the options is financially sustainable and does not inadvertently financially disadvantage one area over another. To inform this, a financial baseline was created using the RA data for the options.

In the case of Option A this was the consolidation of all existing county, district and borough RA data. Due to the nature of the RA data, this would always show a balanced position, but it is important to note the structural deficits and funding formula changes that may impact the financial sustainability of Option A alongside Option B1/B2.

Option B1/B2 is more complex due to the nature of disaggregating service expenditure currently provided at a county level. To form the baseline these had to be disaggregated, and several iterations were completed to determine the most appropriate methodology. The final baseline was completed using a combination of population, demand data and income/current funding formula data.

It should be noted that county council RA costs and Council Tax baselines currently include costs and funding for the fire authority. These have been included at this stage for consistency and the complexities of removing these whilst acknowledging that longer-term these will sit with the new Strategic Authority.

It is not currently possible to model the impact of the proposed funding formula changes although this has been acknowledged as an ongoing risk.

Savings

When modelling, we have sought to make a clear distinction between savings derived as a direct result of LGR, such as removal of duplication, versus those resulting from alternative service delivery approaches and redesign. Our business case focuses only on those benefits that can directly be attributed to LGR.

Savings in the financial case have been categorised into four key areas for both Options A and B1/B2:

- staffing – estimated savings in relation to the implementation of LGR predicated on consolidation and subsequent efficiencies realised in Years 1-3 post vesting day
- councillors – it is assumed fewer councillors will be required across the county because of LGR, resulting in lower costs realised in Year 1 post vesting day

Appendix 5: Financial modelling and sensitivity analysis continued

5.2 Financial principles continued

- non-staffing – estimated savings in relation to increased economies of scale and optimised use of resources realised in Years 1-4 post vesting day
- optimisation – estimated savings related to the design and implementation of alternative service delivery approaches, resulting in reduced demand, assumed to be not a direct result of LGR and occur in Years 2-5 post vesting day

Costs

For the purposes of the financial case and model for both Options A and B1/B2, costs have been split into three distinct categories:

- additional costs – are estimated recurring costs created because of aggregation or disaggregation in relation to both staffing and non-staffing costs incurred over Years 1-6 post vesting day
- transition costs – are estimated one-off costs that are incurred to support the creation of the new authority/authorities from 2025/26 through to Year 5 post vesting day
- Stabilisation costs – are estimated one-off additional costs that may be incurred to fund additional corporate capacity to embed workforce change and financial governance and controls in Years 1 and 2

Scenarios

The above areas have been assessed for the purposes of the financial case and model against three scenarios:

- base scenario – these are prudent lower estimates of reasonable and achievable potential savings and higher more prudent levels of additional costs
- stretch scenario – these are prudent stretch figures of the base scenario resulting in higher reasonable and achievable savings and lower additional costs Both the transition and additional costs have been offset against the estimated savings to understand the net cost/benefit and payback period of implementing the proposals.
- mid-point scenario – these are the mid-point between the base and stretch scenarios for both savings and additional costs

Appendix 5: Financial modelling and sensitivity analysis continued

5.2 Financial principles continued

Phasing

Each of the individual savings and both additional and transition costs have been phased by year, based on when it is anticipated these would be realised or incurred. It is important to note that some transition costs and additional costs will be incurred prior to vesting day from the financial year 2025/26. These have been included in the overall costs and benefits and payback period. The financial case has been modelled over a 10-year period from vesting day.

Validation and assurance

Throughout the development of the financial case, validation of the financial model has taken place with s151 officers of all West Sussex councils. Additionally, informally liaising with other authorities and bodies who have, or who are, currently undertaking the same process has helped to inform and validate assumptions.

Externally the Chartered Institute of Public Finance and Accountancy (CIPFA) were commissioned to provide an independent panel comprised of experts with prior and continuing experience in developing business cases, as well as implementation of local government reform.

The panel used their experience from supporting previous reorganisations, reviews after the formation of new unitaries, and their template guidance to assess the reasonableness of the draft financial considerations. This included applying modelling principles, tolerances and an assessment of materiality in determining what was proportionate and should be included.

5.3 Baseline

Table 1 below sets out the estimated financial baseline for Option A and B1/B2. This demonstrates the estimated split of expenditure and income for Option B1/B2 were either option to be put in place for 2025/26.

Where a negative number is shown, this estimates a shortfall in income against expenditure and where positive income exceeds expenditure. The overall gap shows the total estimated unbalance between the west and east in Option B1/B2.

In Option B1, the west is estimated to be left with a shortfall of £1.4m resulting in an unbalance of £2.8m across the west and east.

In Option B2, the west is estimated to be left with a shortfall of £1.5m resulting in an unbalance of £3.0m across the west and east.

Appendix 5: Financial modelling and sensitivity analysis continued

5.3 Baseline continued

Table 1: Financial baseline

RA data	Option A	Option B1		Option B2	
	£m	West £m	East £m	West £m	East £m
Expenditure					
Council services – net of service income	(995.9)	(484.6)	(511.3)	(560.1)	(435.8)
Fire service	(43.9)	(20.0)	(23.9)	(23.1)	(20.8)
Education services	(717.4)	(296.0)	(421.4)	(356.0)	(361.4)
Housing benefits payments	(156.8)	(77.7)	(79.1)	(93.2)	(63.6)
Levies less trading surplus	4.2	(1.7)	5.9	(1.9)	6.1
Financing costs – interest	(39.7)	(24.3)	(15.4)	(24.1)	(15.6)
Income					
Ring-fenced grants	166.8	82.8	84.0	96.0	70.8
General grants	276.6	140.8	135.8	162.8	113.8
Schools grants – inc DSG	634.6	261.9	372.7	314.9	319.7
Business rates – retained income	148.9	81.6	67.3	99.3	49.6
Council Tax 2025/26	722.5	335.7	386.8	384.0	338.5
Sum – -ve is surplus	**0.0**	**(1.4)**	**1.4**	**(1.5)**	**1.5**
Overall gap	**–**		**2.8**		**3.0**

Appendix 5: Financial modelling and sensitivity analysis continued

5.3 Baseline continued

No	Assumption
1	Option B1/B2 – except for social care expenditure, county-based service expenditure is currently disaggregated based upon population share.
2	Option B1/B2 – County based demand data has been used to disaggregate Adult Social Care expenditure.
3	Option B1/B2 – demand data taken from analysis completed by Newton Europe* has been used to disaggregate Children's Social Care expenditure.
4	Option B1/B2 – Retained business rate income has been apportioned on current LGR Pixel funding disaggregation** model assumptions and do not reflect future changes to the Business Rates Retention Scheme.
5	Option B1/B2 – the Adult Social Care grant has been apportioned on current Pixel model assumptions.
6	Option B1/B2 – other grants have been apportioned on current LGR Pixel funding disaggregation model* assumptions.
7	Option B1/B2 – other county-based income elements have been apportioned on population figures.
8	Option B1/B2 – except for Business Rates Retained Income it has been assumed all expenditure and income from each of the district and boroughs will follow into each of the respective Options they are placed in.

* LGR – Impact on People Services – model was created by Newton Europe on behalf of County Councils Network and considers the impact on Adult Social Care, Children's Social Care, Education services, and Housing and Homelessness both from a demand and financial perspective as local authorities are reorganised and responsibility of care changes across new geographical footprints within the county.

** This model was created by Pixel Financial management for County Councils Network to help disaggregate the funding streams to the proposed structures following reorganisation in 2028-29.

Appendix 5: Financial modelling and sensitivity analysis *continued*

5.4 Savings Development

Staffing

Staffing has been split into two key areas of leadership and management, and wider service delivery. The establishment budgets 2025/26 for each of the authorities were used to inform and calculate benefits and costs.

It is important to note Adur and Worthing have a joint management structure and formally share some services and this has been accounted for where possible in each of the calculations.

Overall, consolidation of staffing in relation to the implementation of LGR are predicated on efficiencies and consolidation and therefore a reduced capacity requirement. The following key assumptions have been made:

No	Assumption
9	Staff expenditure has been estimated and categorised based on teams and job titles from the establishment budget data into: • leadership • service delivery • back office • customer services • democratic services • elections

Leadership and management

Leadership and management consist of staffing Tiers 1 – 3 for all authorities with an additional Tier 4 at the county level taken from the establishment budgets 2025/26 provided by each authority.

Savings	Base £m	Mid-Point £m	Stretch £m
Option A	2.8	2.8	2.8
Option B1/B2	1.3	1.3	1.3

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Tiers 1 and 2 have been taken to be the Senior Leadership Team for each authority. Tier 3 is largely representative of Assistant Director/Heads of Service levels in each of the authorities.

Benefits for Tiers 1 and 2 have been calculated separately from Tier 3 to reflect the differing roles and the need to retain certain areas of expertise and provide continuity of service.

Leadership savings (Tiers 1 and 2) are derived from an estimated reduction in strategic leaders in the new unitary authority/authorities informed by benchmarking of other unitary authorities. The draft structure assumes the single unitary will require two additional Deputy Chief Executive posts to ensure operational capacity to support new locality working arrangements.

Option B1/B2 is assumed to require a duplicated leadership team of Option A except for the two Deputy Chief Executive posts as it is assumed there will be existing capacity to oversee new locality working arrangements.

Where additional posts have been included within a draft structure, salary costs have been included at current county pay levels except for the Chief Executive Officer in Option B1/B2. This has been assumed to be 10% lower to reflect the relative smaller scale of a two unitary model. This is informed by benchmarking of other unitary authorities and acknowledgement of recruitment challenges particularly in social care; therefore, it is assumed salary costs are unlikely to decrease or be materially different across the two authorities.

The following key assumptions have been made:

No	Assumption
10	Option A – the current districts and boroughs Tiers 1 and 2, and county Tier 1 are assumed to be replaced by a new team equivalent to that budgeted for the county leadership plus two Deputy Chief Executive roles and three Assistant Director roles.
11	Option B1/B2 – the current districts and boroughs Tiers 1 and 2, and county Tier 1 are assumed to be replaced by a two new teams equivalent to that budgeted for the county leadership plus three Assistant Director roles.
12	Option B1/B2 – Salary costs for the proposed executive leadership team have been assumed to be retained at current county pay levels except the Chief Executive Officers.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

No	Assumption
13	Option A and B1/B2 – Tiers 1 and 2 salary costs have been taken from establishment budget data 2025/26 provided by each authority.
14	Option A and B1/B2 – No reductions have been applied to Tier 4 for the purposes of the financial model.

Tier 3

Tier 3 is assumed to be made up of Assistant Director/Heads of Service posts currently overseeing service delivery where it is assumed efficiencies from consolidation can be made for each of the districts and boroughs. (accounting for shared management and services in Adur and Worthing). Therefore, it is assumed that consolidation and efficiencies will result in fewer area teams.

Savings	Base £m	Mid-Point £m	Stretch £m
Option A	2.8	2.8	2.8
Option B1/B2	1.9	1.9	1.9

No	Assumption
15	Option A – estimates only three area-based teams would be required resulting in a 50% efficiency.
16	Option B1/B2 – estimates four area-based teams would be required resulting in a 33% efficiency.
17	Option A and B1/B2 – percentage efficiencies to resource have been applied to the total districts and boroughs Tier 3 establishment budgets only. This is to reflect the assumption consolidation will mainly be derived from services currently delivered by the districts and boroughs.
18	Option A and B1/B2 – county Tier 3 resource is assumed to be retained. Where additional resource at this tier is required because of aggregation or disaggregation this is included in the additional costs.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Wider service delivery

It is assumed in both Options A and Options B1/B2 there is potential to consolidate and increase resilience of larger teams working virtually across the unitary area(s) by adopting common operating models.

Efficiency-driven percentage reductions have been applied to service delivery, back office, reflecting opportunities to consolidate services across all councils across all councils.

In calculating the savings for Option B1/B2, it has been assumed that it will potentially be possible to achieve 70% of the savings allocated against Option A. To arrive at this assumption, savings principles have been applied to specific service areas such as Finance to understand the potential magnitude of savings across the two options and the differentials.

Service Delivery

Service delivery is assumed to be those staff delivering frontline services and it is anticipated there is significant potential to reduce duplication and consolidate resource.

Savings	Base £m	Mid-Point £m	Stretch £m
Option A	4.7	7.1	9.5
Option B1/B2	3.3	5.0	6.6

No	Assumption
19	Option A base case – 5% efficiency has been modelled for service delivery across the districts and boroughs establishment budget. This is a prudent estimate based upon reasonableness, achievability and high-level application to individual service areas. This has been validated by CIPFA and is deemed to be in line with other business cases.
20	Option A stretch case – 10% efficiency has been modelled for service delivery across the districts and boroughs establishment budget. This is a prudent stretch on the base case estimate. This has been validated by CIPFA and is deemed to be in line with other business cases.
21	Option B1/B2 base and stretch – savings have been allocated at 70% of the total savings of Option A across the base and stretch scenario.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Back office

Back office is assumed to be those staff delivering internal services across Finance, HR, ICT, Facilities Management, Procurement, Legal, Performance and Communications.

Savings	Base £m	Mid-Point £m	Stretch £m
Option A	2.9	5.8	8.6
Option B1/B2	2.0	4.0	6.1

No	Assumption
22	Option A base case – 10% efficiency has been modelled for the back- office across the districts and boroughs establishment budget for planning purposes. This is a prudent estimate based upon reasonableness, achievability and high-level application to individual service areas. This has been validated by CIPFA and is deemed to be in line with other business cases. The efficiency will be applied to the total scope of the new unitary.
23	Option A stretch case – 30% efficiency has been modelled for the back office across the districts and borough establishment budget for planning purposes. This is a prudent stretch on the base case estimate. This has been validated by CIPFA and is deemed to be in line with other business cases. The efficiency will be applied to the total scope of the new unitary.
24	Option B1/B2 – savings have been allocated at 70% of the total savings of Option A across the base and stretch scenario. The efficiency will be applied to the total scope of the new unitary.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Customer Service

Customer service is assumed to be those staff providing advice, guidance and services to communities.

Savings	Base £m	Mid-Point £m	Stretch £m
Option A	0.7	0.9	1.2
Option B1/B2	0.5	0.7	0.8

No	Assumption
25	Option A base case – 15% efficiency has been modelled for customer service across the districts and boroughs establishment budget. This is a prudent estimate based upon reasonableness, achievability and high-level application to individual service areas. This has been validated by CIPFA and is deemed to be in line with other business cases.
26	Option B1/B2 stretch case – 25% efficiency has been modelled for customer service across the districts and boroughs establishment budget. This is a prudent stretch on the base case estimate. This has been validated by CIPFA and is deemed to be in line with other business cases.
27	Option B1/B2 – savings have been allocated at 70% of the total savings of Option A across the base and stretch scenario.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Democratic Services

Democratic Services is assumed to be those staff providing administrative and advisory support that enables the democratic decision-making processes including support to elected councillors.

Savings	Base £m	Mid-Point £m	Stretch £m
Option A	0.4	0.5	0.7
Option B1/B2	0.3	0.4	0.5

No	Assumption
28	Option A base case – 30% efficiency has been modelled for democratic service across the districts and boroughs establishment budget. This is a prudent estimate based upon reasonableness, achievability and high-level application to individual service areas. This has been validated by CIPFA and is deemed to be in line with other business cases.
29	Option A stretch case – 50% efficiency has been modelled for democratic services across the districts and boroughs establishment budget. This is a prudent stretch on the base case estimate. This has been validated by CIPFA and is deemed to be in line with other business cases.
30	Option B1/B2 – savings have been allocated at 70% of the total savings of Option A across the base and stretch scenario.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Electoral Services

Electoral Services is assumed to be those staff providing support to the administration and running of elections and the electoral register.

Savings	Base £m	Mid-Point £m	Stretch £m
Option A	0.2	0.4	0.7
Option B1/B2	0.1	0.2	0.3

No	Assumption
31	Option A base case - 20% efficiency has been modelled for electoral services across the districts and boroughs establishment budget. This is a prudent estimate based upon reasonableness, achievability and high-level application to individual service areas. This has been validated by CIPFA and is deemed to be in line with other business cases.
32	Option A stretch case - 40% efficiency has been modelled for electoral services across the districts and boroughs establishment budget. This is a prudent stretch on the base case estimate. This has been validated by CIPFA and is deemed to be in line with other business cases.
33	Option B1/B2 – savings have been allocated at 70% of the total savings of Option A across the base and stretch scenario.

Councillors

There are currently 358 councillors across the West Sussex area (70 county councillors and 288 district councillors) across 70 electoral divisions. In both Options A and B1/B2, it is assumed there will be a reduced number of councillors across the West Sussex area required as a result of LGR. However, it is recognised there is a need to ensure sufficient capacity to effectively engage at a local level and service appropriate governance forums.

Guidance from the Boundary Commission proposes that the expected number of councillors in a unitary authority would be no less than 30 and no more than 100 with strong evidence required for exceptions to this. Whilst benchmarking is not advised by the Boundary Commission benchmarking of other Unitary authorities shows this principle is generally adhered to with circa on average 90-100 councillors in place.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Current budgets for councillors' allowances including basic, special and other allowances for each authority have been used to calculate potential benefits. The current county council allowances per councillor have been used as the baseline for estimated new allowances. These currently benchmark comparatively against existing unitary authorities; however, a percentage increase has been applied to account for the assumption that increased responsibilities will be placed upon councillors because of LGR.

Savings	Base £m	Mid-Point £m	Stretch £m
Option A	1.4	1.8	2.3
Option B1/B2	0.2	0.8	1.4

No	Assumption
34	Option A base case – 100 councillors have been assumed in line with boundary commission guidance of the maximum number.
35	Option A stretch case – 70 councillors have been assumed in line with Boundary Commission guidance but at a reduced scale.
36	Option B1/B2 base case – 140 councillors have been assumed in total across the two unitary model in line with Boundary Commission guidance. This is also based on there being two councillors per current county council electoral division.
37	Option B1/B2 stretch case – 100 councillors have been assumed in total in line with Boundary Commission guidance.
38	Option A and B1/B2 – councillors' allowances – both basic and special allowances have been inflated by 25% to allow for anticipated and assumed increased responsibilities, this is felt to be a prudent assumption given currently allowances compare favourably with existing unitary authorities.
39	Option A and B1/B2 – other allowances – 5% has been applied to the estimated total of basic and special allowance. This is based on current values of other allowances based on current total budgeted spend.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Non staffing

Non-staffing expenditure baselines have been estimated by taking the gross expenditure for 2024/25 for each current authority less the staffing establishment budgets for 2025/26. It is recognised there may be 'non-addressable', and ring-fenced spend within this baseline which may potentially reduce the envelope of savings. To mitigate this a percentage reduction contingency has been applied to the baseline to prevent overstating of the potential saving.

A percentage efficiency has been applied to the assumed non staffing baseline less the contingency to reflect potential efficiencies because of consolidation.

Savings	Base £m	Mid-Point £m	Stretch £m
Option A	6.5	9.8	13.0
Option B1/B2	4.6	6.8	9.1

No	Assumption
40	Option A base case – 5% efficiency has been modelled for non-staffing. This is a prudent estimate based upon reasonableness and achievability. This has been validated by CIPFA and is in line with other business cases.
41	Option A stretch case – 10% efficiency has been modelled for non-staffing. This is a prudent estimate based upon what appears to be a reasonable and achievable amount. This has been validated by CIPFA and is in line with other cases.
42	Option B1/B2 – in calculating the non-staffing savings for Option B1/B2, it has been assumed that it will potentially be possible to achieve 70% of the savings allocated against Option A.
43	Option A and B1/B2 – a contingency reduction of 10% has been allocated to the non-staffing baseline to prevent over statement of savings.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Income from fees and charging is excluded from this element and no assumptions have been made in relation to any potential increases or decreases at this stage. However, it should be noted that there may be potential to harmonise fees and charges if there are differing levels across each of the existing services and authorities. This would potentially increase the non-staff savings or further mitigate the impact of non-addressable, or ring-fenced spend.

Optimisation

Optimisation savings are assumed to relate to the design and implementation of alternative service delivery approaches aimed at prevention and increased service standards.

Optimisation savings are assumed to be distinct from those savings achieved as a direct result of LGR and the subsequent consolidation that will be undertaken.

Savings	Base £m	Mid-Point £m	Stretch £m
Option A	17.0	21.2	25.5
Option B1/B2	17.0	21.2	25.5

A percentage efficiency has been applied against the total staffing establishment budget 2025/26. This is assumed to be the same for both Options A and B1/B2. Whilst there may be some duplication across other staff savings this was deemed not to be material.

No allowances or assumptions have been made at this stage for changing service standards or stopping/starting services in areas where there may be a difference.

It is assumed that optimisation savings would be equal across both Options A and B1/B2.

No	Assumption
44	Options A and B1/B2 base case – 4% efficiency has been modelled for optimisation. This is a prudent estimate based upon reasonableness and achievability. This has been validated by CIPFA and is in line with other business cases.
45	Options A and B1/B2 stretch case – 6% efficiency has been modelled for optimisation. This is a prudent estimate based upon reasonableness and achievability. This has been validated by CIPFA and is in line with other business cases.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Costs

Costs have been split into two distinct categories, additional and transition costs. Additional costs cover recurring costs created because of aggregation and disaggregation in relation to each of Options A and B1/B2.

It is important to note aggregation costs in relation to staffing have been shown net of proposed savings and are not explicitly shown within the additional costs.

Disaggregation will take place at a county level, therefore, disaggregation costs are based on net service expenditure budgets for the county council and exclude the districts and boroughs.

Additional Leadership and Management costs required as both a result of aggregation and disaggregation are accounted for with the Leadership and Management savings to produce a net savings for both Option A and B1/B2.

Transition costs include all estimated one-off costs likely to be incurred because of the implementation of LGR for each Option A and B1/B2.

Additional costs

Back office – it is assumed additional back-office costs will be incurred in Option B1/B2 only. These result from the need to duplicate certain functions and posts across the back office from the former county council because of disaggregation.

A percentage increase has been applied to the budgeted net expenditure for 2025/26 from the county council for back-office functions. The Cabinet Office has identified that shared services models typically save 10-15% on implementation, so the anticipated costs of disaggregation have been assumed to be at this level as a prudent starting point.

Additional Costs	Base £m	Mid-Point £m	Stretch £m
Option A	(0.0)	(0.0)	(0.0)
Option B1/B2	(6.1)	(5.2)	(4.3)

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

No	Assumption
46	Option B1/B2 base case – 10% increase has been modelled to reflect the increase in resource required. This has been validated by CIPFA and is in line with other business cases.
47	Option B1/B2 stretch case – 7% increase has been modelled to reflect the required increase in resource required. This is a prudent stretch based upon the base case.

Service Delivery - it is assumed additional service delivery costs will be incurred in Option B1/B2 only. These will result from the need to duplicate certain functions and posts across service delivery from the former county council because of disaggregation.

Leadership and management are separately accounted for so only additional costs associated with oversight; management of services that are not demand led are included in the additional costs.

A percentage increase has been applied to the estimated net expenditure for 2025/26 from the County Council for service delivery functions. In addition in the base case only an additional £2m has been allocated to Children's services to reflect the county experience of service delivery risk. An extra £0.5m has also been allocated to Highways and Transport to reflect the need to maintain performance and delivery standards in these services.

Additional Costs	Base £m	Mid-Point £m	Stretch £m
Option A	(0.0)	(0.0)	(0.0)
Option B1/B2	(9.9)	(8.3)	(6.6)

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

No	Assumption
48	Option B1/B2 base case – 1% increase has been modelled to reflect the increase in resource required. This has been validated by CIPFA and is in line with other business cases.
49	Option B1/B2 stretch case – 0.7% increase has been modelled to reflect the required increase in resource required. This is a prudent stretch based upon the base case.

Information Technology – it is assumed that additional Information Technology costs will be incurred in Option B1/B2 only. These will result from the need to replicate systems and technology from the former county council.

Additional Costs	Base £m	Mid-Point £m	Stretch £m
Option A	(0.0)	(0.0)	(0.0)
Option B1/B2	(7.1)	(6.0)	(4.9)

No	Assumption
50	Option B1/B2 base case – assume shared service model in place for Enterprise Resource Planning and core systems (including support) resulting in a 50% increase in spend.
51	Option B1/B2 stretch case – assumed to be 70% of the base case.

Local Democratic Arrangements – it is anticipated that additional resource will be required to service local democratic arrangements and support locality working and engagement in both Options A and B1/B2.

This is based upon the assumption that several locality areas will be required in each Option A and B1/B2 serviced by additional officers.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Additional Costs	Base £m	Mid-Point £m	Stretch £m
Option A	(1.8)	(1.7)	(1.5)
Option B1/B2	(1.5)	(1.3)	(1.1)

No	Assumption
52	Option A and B1/B2 – it is assumed that there are currently 12 locality areas across the districts and boroughs.
53	Option A base case – assumes 12 locality areas are required.
54	Option A stretch case – assumes 10 locality areas are required.
55	Option B1/B2 base case – assumes 10 locality areas are required.
56	Option B1/B2 stretch case – assumes 7 locality areas are required.
57	Options A and B1/B2 – assumed each local area requires two officers per area plus access to facilities – estimated to cost £150k per year.

Pay harmonisation – it has been assumed for the purposes of the financial case that pay harmonisation will occur over several years. Whilst staff will initially move into the newly formed unitary authority/authorities taking their existing terms and conditions (including salary) under TUPE transfer, over time staff are likely to move on to the new organisations' terms and salary levels.

Additional Costs	Base £m	Mid-Point £m	Stretch £m
Option A	(3.0)	(2.8)	(2.5)
Option B1/B2	(3.0)	(2.8)	(2.5)

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

A new pay structure would be expected to be in place from vesting day, with vacant posts arising at this point, forward-recruited to at the new scale. It is assumed the new levels of pay in the unitary authority are likely to be aligned more closely with the existing county levels rather than that of the districts and boroughs.

All existing individual councils have their own reward structures with several different job evaluation schemes in place. However, it is assumed for the purposes of the financial case that districts and boroughs' levels of pay are broadly similar.

Detailed analysis has been undertaken of the current county council reward structure and the job evaluation levels that sit behind it compared to that of Chichester District Council.

At each organisational level the reward structure has been mapped across the pay differential for similar level jobs and this ranges from being equal at the lowest grade to increased pay at county council level of up to 7% across the grades. This analysis is relevant for salaries of up to around £50k at which point jobs are likely to be of differing levels compared to current due to scale of teams being managed and responsibilities.

The pay differential was applied to the Worthing and Adur workforce (the district and boroughs with the largest number of staff) and the impact of applying the county council pay level was c£0.7m.

When this is multiplied up for the total number of district and borough staff across the county it gives an estimated figure of c£3.5m. However, assuming that there will be some reduction in staffing numbers and the figures are based on the establishment budgets rather than the total number of staff in post then the figure is estimated to be lower in the region of £2.5-£3m.

It is acknowledged that in Options A and B1/B2, potentially significant resource will be required over a period of years to facilitate and undertake pay harmonisation. No additional resource has been budgeted for at this stage as it is assumed that this can be covered by existing resources, but this may be a risk depending on the resulting scale of the task and skill sets required.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Transitions costs

Restructuring – estimated restructuring costs have been calculated based on the estimated staffing FTE efficiencies and average salary costs adjusted to reflect potential length of service and pension strain implications.

Additional Costs	Base £m	Mid-Point £m	Stretch £m
Option A	(14.7)	(14.7)	(14.7)
Option B1/B2	(10.3)	(10.3)	(10.3)

No	Assumption
58	Options A and B1/B2 – it is assumed for the purposes of the restructuring calculation that 50% of the estimated FTE efficiencies will occur from staff turnover and vacancies held between now and vesting day except in Tiers 1-3.
59	Options A and B1/B2 – it is assumed for the purposes of the restructuring calculation that 100% of the estimated FTE reductions in Tier 1 to 3 will result in a potential restructuring cost.
60	Options A and B1/B2 – average salary costs have been calculated for each of the savings areas using total establishment budget and total FTE.
61	Options A and B1/B2 – it has been assumed for the purposes of restructuring calculations: salaries will be 25% above the average to account for length of service and pension strain implications.
62	Options A and B1/B2 – restructuring costs for each FTE is assumed to be 50% of average salary costs (including the 25% increase).

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Implementation and programme delivery – it is assumed that a programme team will be required from 2025/26 through to post vesting day to run the implementation and delivery of the Option A or B1/B2.

Additional Costs	Base £m	Mid-Point £m	Stretch £m
Option A	(11.5)	(11.5)	(11.5)
Option B1/B2	(12.5)	(12.5)	(12.5)

No	Assumption
63	Options A and B1/B2 – the salary costs for each of the Programme Team are assumed to be on average £0.1m including on costs.
64	Options A and B1/B2 – the average salary cost accounts for other factors such as the use of agency and external staff in some posts.
65	Options A and B1/B2 – the proposed team costs do not cover realisation of the optimisation benefits as this is assumed to be resourced by existing change capacity within the system.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

The Programme Team is estimated to be formed of the following resources:

Role	FTE
Programme Director	1
Senior Programme Manager	4
Programme Office Lead	1
Project Management Officers	3
Programme Specialist Leads (Legal, Finance, HR, Comms, OD and Service Design)	5
Service Leads (Adults, Children, Housing, Regulatory, Place, Property and Highways, Revs and Benefits/income)	
• Functional Lead	7
• Project Manager	7
• Change Manager	7
• Analyst	7
Support Services	
• Functional Lead	6
• Project Manager	6
• Change Manager	6
• Analyst	6
Option B1/B2 operating model leads	6
Option A total	**66**
Option B1/B2 total	**72**

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

IT and Contract Management – This covers the one-off costs required to review and implement the required IT infrastructure for both Options A and B1/B2.

Additional Costs	Base £m	Mid-Point £m	Stretch £m
Option A	(16.9)	(15.0)	(13.0)
Option B1/B2	(19.5)	(17.3)	(15.0)

Option A costs include aggregation of the current district and borough systems alongside amending current integrations.

Option B1/B2 costs include reuse of the county council's new ERP system and aggregating the current district and borough systems.

No	Assumption
66	Options A and B1/B2 – aggregation of the current district and borough systems assumed to cost c£10m.
67	Option A – amendment of current integrations assumed to cost c£3m.
68	Option B1/B2 – creating new client within existing ERP systems is assumed to cost c£5m.

Stakeholder engagement and communication – this is an estimated figure based on insight from other authorities and business cases covering the costs including staffing of communication and engagement for each of the options.

Additional Costs	Base £m	Mid-Point £m	Stretch £m
Option A	(1.5)	(1.5)	(1.5)
Option B1/B2	(1.5)	(1.5)	(1.5)

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

No	Assumption
69	Option A and B1/B2 – costs are assumed to be the same.

Shadow arrangements – a shadow leadership team will be required to be in place from May 27 until vesting day to run the shadow authority. As the shadow elections will have taken place, a budget for councillors' allowances will also be required.

It is assumed that the shadow executive will be resourced by existing staff within the West Sussex system.

Additional Costs	Base £m	Mid-Point £m	Stretch £m
Option A	(2.4)	(2.4)	(2.4)
Option B1/B2	(3.4)	(3.4)	(3.4)

No	Assumption
70	Options A and B1/B2 – assumes that leadership staff will be seconded into the interim roles with no backfill from the current West Sussex system.
71	Options A and B1/B2 – 10% contingency of the total leadership cost for 11 months has been applied.
72	Options A and B1/B2 – assumes annual councillor costs calculated as part of estimated savings. The midpoint between base and stretch has been used.
73	Options A and B1/B2 – it has been assumed that the shadow year and authority will be in place for 11 months from May 27 and costs have been calculated accordingly.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Creation of a new council – this is an estimated figure based on insight from other authorities and business cases covering legal costs, contract novation and development of new constitutions.

Additional Costs	Base £m	Mid-Point £m	Stretch £m
Option A	(1.0)	(1.0)	(1.0)
Option B1/B2	(2.0)	(2.0)	(2.0)

Closedown activities – estimated costs for dissolving what will be the former authorities including completing final accounts, external audit, plus legal and other costs.

Additional Costs	Base £m	Mid-Point £m	Stretch £m
Option A	(1.3)	(1.3)	(1.3)
Option B1/B2	(1.3)	(1.3)	(1.3)

No	Assumption
74	Options A and B1/B2 – assumes three finance officers for each of the districts and boroughs, six county finance officers and one legal officer.
75	Option A and B1/B2 – costs are assumed to be the same.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Shadow elections – these costs are to cover elections to the shadow authority in May 27 and are calculated on an estimated cost per elector applied to the electoral population of West Sussex.

Additional Costs	Base £m	Mid-Point £m	Stretch £m
Option A	(1.4)	(1.4)	(1.4)
Option B1/B2	(1.4)	(1.4)	(1.4)

No	Assumption
76	Options A and B1/B2 – assumes the average cost per elector is £3. This is based on the 2019 General Election costs which were calculated to be £3.09 per elector. Source: Costs of the 2019 UK Parliamentary General Election
77	Options A and B1/B2 – assumes that there are 672,000 electors in West Sussex and a 70% turnout.
78	Option A and B1/B2 – costs are assumed to be the same as an election(s) will be run across the entire West Sussex system regardless of Options.

Consultancy and audit – this is an estimated figure based on insight from other authorities and business cases covering specialist support and assurance for detailed design.

Additional Costs	Base £m	Mid-Point £m	Stretch £m
Option A	(3.0)	(3.0)	(3.0)
Option B1/B2	(3.0)	(3.0)	(3.0)

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

No	Assumption
79	Costs are assumed to be the same for Option A and B1/B2.

Stabilisation capacity – additional corporate capacity to embed workforce change and financial governance and controls

Option A	Base £m	Mid-Point £m	Stretch £m
HR	(6.7)	(6.7)	(6.7)
Internal Audit	(1.4)	(1.4)	(1.4)
Finance	(0.0)	(0.0)	(0.0)
Total	**(8.1)**	**(8.1)**	**(8.1)**

Option B1/B2	Base £m	Mid-Point £m	Stretch £m
HR	(6.7)	(6.7)	(6.7)
Internal Audit	(1.4)	(1.4)	(1.4)
Finance	(4.0)	(4.0)	(4.0)
Total	**(12.1)**	**(12.1)**	**(12.1)**

No	Assumption
80	Options A and B1/B2 – stabilisation costs are not included within the contingency calculation.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Contingency – it has been considered prudent to include a contingency for transition costs due to the estimated nature of the costs and to account for unexpected costs arising.

Additional Costs	Base £m	Mid-Point £m	Stretch £m
Option A	(3.9)	(3.7)	(3.5)
Option B1/B2	(4.5)	(4.3)	(4.1)

No	Assumption
81	Options A and B1/B2 – assumes a contingency of 10% of the total transition costs excluding redundancy and stabilisation capacity.

Phasing

Each of the individual savings and both additional and transition costs have been phased across years based on when it is anticipated these would be realised or incurred.

It is important to note that some transition and additional costs will be incurred prior to vesting day from the financial year 2025/26. These will be included in the overall costs and benefits and payback period.

The financial case has been modelled over a 10-year period from vesting day.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Savings

			Shadow	Y1	Y2	Y3	Y4	Y5
	25/26 %	26/27 %	27/28 %	28/29 %	29/30 %	30/31 %	31/32 %	32/33 %
Leadership / executive	–	–	–	75	100	100	100	100
Tier 3	–	–	–	50	100	100	100	100
Service delivery	–	–	–	75	100	100	100	100
Back office	–	–	–	75	100	100	100	100
Customer Service	–	–	–	–	75	100	100	100
Democratic Services	–	–	–	–	50	75	100	100
Elections	–	–	–	100	100	100	100	100
Councillors	–	–	–	100	100	100	100	100
Non-staffing	–	–	–	25	50	75	100	100
Optimisation	–	–	–	–	25	50	75	100

Leadership/executive

No	Assumption
82	Options A and B1/B2 – new authority/authorities will be in place 2028/29 so majority of leadership posts will cease at dissolution of the previous authorities – it is assumed some will be retained to support safe transition. TUPE and ringfencing arrangements will be in place throughout transition to new structures.
83	Options A and B1/B2 – assumes some posts will be held vacant or covered by agency in the run up to vesting day.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Tier 3

No	Assumption
84	Options A and B1/B2 – new authority/authorities will be in place 2028/29 so majority of efficiencies will occur after dissolution of the previous authorities. Assumed that some posts may be retained for longer to enable effective transition and knowledge transfer based on other LGR implementation experiences.
85	Options A and B1/B2 – assumes a number of posts will be held vacant or covered by agency in the run up to vesting day.

Service Delivery

No	Assumption
86	Options A and B1/B2 – consolidation of services can be planned and commence prior to vesting day through the shadow authority enabling efficiencies to be realised at pace in year 1.
87	Options A and B/B2 – assumes a number of posts will be held vacant or covered by agency in the run up to vesting day.

Back office

No	Assumption
88	Options A and B1/B2 – consolidation of services can be planned and commence prior to vesting day through the shadow authority enabling efficiencies to be realised at pace in year 1.
89	Options A and B1/B2 – assumes a number of posts will be held vacant or covered by agency in the run up to vesting day.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Customer Service

No	Assumption
90	Options A and B1/B2 – customer services will be retained in year 1 to maintain performance and standards in the interim whilst enabling consolidation and efficiencies to be realised over years 2 and 3.
91	Options A and B1/B2 – assumes a number of posts will be held vacant or covered by agency in the run up to vesting day and through year 1.

Democratic Services

No	Assumption
92	Options A and B1/B2 – creation of new authority/authorities and election of new councillors will require more resource in the initial years until a steady state is reached therefore savings are phased over a longer period.
93	Options A and B1/B2 – assumes a number of posts will be held vacant or covered by agency in the run up to vesting day and through year 1.

Elections

No	Assumption
94	Options A and B1/B2 – elections will reduce in number from year 1 enabling efficiencies to be realised fully in year 1. Consolidation and planning would be undertaken in the shadow year.
95	Options A and B1/B2 – assumes a number of posts will be held vacant or covered by agency in the run up to vesting day.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Councillors

No	Assumption
96	Options A and B1/B2 – current councillors will cease their term at the end of the shadow year and the new authority will be in place in year 1 enabling 100% of the savings to be released.

Non-Staffing

No	Assumption
97	Options A and B1/B2 – some immediate savings will be able to be achieved through for example cessation of duplicated third party contracts and spend but it will take longer to drive out savings from service redesign and for example property maintenance and running costs due to reducing office space.

Optimisation benefits

No	Assumption
98	Options A and B1/B2 optimisation benefits will follow consolidation and redesign in of services in year 1 enabling a reduction in demand and capacity required from year 2 onwards.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Additional costs

			Shadow	Y1	Y2	Y3	Y4	Y5	Y6
	25/26 %	26/27 %	27/28 %	28/29 %	29/30 %	30/31 %	31/32 %	32/33 %	33/34 %
Back office	–	–	25	100	100	100	100	100	100
Service delivery	–	–	–	50	100	100	100	100	100
Information Technology	–	–	–	50	100	100	100	100	100
Local democratic arrangements	–	–	25	100	100	100	100	100	100
Pay harmonisation	–	–	–	10	20	40	60	80	100

Back office

No	Assumption
99	Option B1/B2 – assumed that additional back-office services will be required in the shadow year to support final implementation and ensure operational from day 1. 100% of costs will be required from year 1.

Service Delivery

No	Assumption
100	Option B1/B2 – assumed that services will take time to disaggregate and will continue to operate as normal in the first instance with disaggregation taking place over year 1 and costs gradually incurred.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Information Technology

No	Assumption
101	Option B1/B2 – assumed that services will take time to disaggregate and will continue to operate as normal in the first instance with disaggregation taking place over year 1 and costs gradually incurred.

Local Democratic Arrangements

No	Assumption
102	Option A and B1/B2 – assumed that locality arrangements will be required to be in place from vesting day and therefore some costs will be required in the shadow year to ensure operational.

Pay Harmonisation

No	Assumption
103	Option A and Option B1/B2 – new authority/authorities will have to adopt a new pay structure in year 1, recruitment to new or existing posts will be based on this which may attract higher salary costs than previously. Longer term formal restructures and job evaluation will be undertaken to harmonise pay.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Transition costs

	Shadow			Y1	Y2	Y3	Y4
	25/26 %	26/27 %	27/28 %	28/29 %	29/30 %	30/31 %	31/32 %
Strategic management	–	–	75	25	–	–	–
Tier 3	–	–	50	50	–	–	–
Service delivery	–	–	75	25	–	–	–
Back office	–	–	75	25	–	–	–
Customer Service	–	–	–	75	25	–	–
Democratic Services	–	–	0	50	25	25	–
Elections	–	–	100	–	–	–	–
Optimisation	–	–	–	25	25	25	25
Implementation and Programme Delivery Team*	–	–	–	–	–	–	–
IT & Contract Management	–	25	50	25	–	–	–
Branding & Communications	–	10	85	5	–	–	–
Shadow arrangements	–	–	100	–	–	–	–
Creation of new council	–	–	100	–	–	–	–
Closedown activities	–	–	20	80	–	–	–
Shadow elections	–	–	50	50	–	–	–
Consultancy & Audit	5	30	60	5	–	–	–
Stabilisation costs	–	–	–	50	50	–	–

* Not allocated by percentages but a detailed resourcing profile has been created

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Restructuring

No	Assumption
104	Options A and B1/B2 – assumed that restructuring costs will follow the phasing of savings.

Implementation and Programme Delivery Team

No	Assumption
105	Options A and B1/B2 – assumed that a programme team will be required from 2025/26 in part through to year 1. Detailed resourcing profile has been created for each year required.

IT and Contract Management

No	Assumption
106	Options A and B1/B2 – costs will be incurred prior to vesting day to enable the setup, transfer and duplication of systems and contracts through the shadow year and year 1.

Stakeholder engagement and communications

No	Assumption
107	Options A and B1/B2 – majority of costs will be incurred in the shadow year to publicise and inform staff, residents and stakeholders of changes and progress.

Shadow arrangements

No	Assumption
108	Options A and B1/B2 – costs will be fully incurred in the shadow year.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Creation of new council

No	Assumption
109	Options A and B1/B2 – costs will be fully incurred in the shadow year.

Closedown activities

No	Assumption
110	Options A and B1/B2 – majority of costs will be incurred in year 1 to reflect closedown of prior authorities, such as closing of the accounts.

Shadow elections

No	Assumption
111	Options A and B1/B2 – shadow elections will take place in May 2027, costs will be incurred prior to this to support the election and in year 1 for example payment of allowances.

Consultancy and Audit

No	Assumption
112	Options A and B1/B2 – specialist support will be required as part of the planning and detailed design starting from 2025/26, majority of costs will be in the shadow year.

Stabilisation Resources

No	Assumption
113	Options A and B1/B2 – costs will be incurred in years 1 and 2 post creation of the new authority/authorities.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Payback period

The payback period is an estimate of the number of years required for the total cumulative net benefits to exceed the total transition costs, effectively the repayment of the investment required. This is set out for Option A and B1/B2 below.

Currently at the mid-point, Option A pays back at 2.3 years and Option B1/B2 6.4 years.

Option A Benefits (costs)	Base £m	Mid-Point £m	Stretch £m
Staffing	14.5	20.4	26.2
Councillors	1.4	1.8	2.3
Non staffing	6.5	9.8	13.0
Optimisation	17.0	21.2	25.5
Additional costs	(4.8)	(4.4)	(4.0)
Total ongoing/ annual net benefits	**34.6**	**48.8**	**63.0**
Total transition costs	**(61.8)**	**(59.9)**	**(57.9)**
Payback period	**3.1 years**	**2.3 years**	**2.0 years**

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Option B1/B2 Benefits (costs)	Base £m	Mid-Point £m	Stretch £m
Staffing	9.4	13.4	17.4
Councillors	0.2	0.8	1.4
Non staffing	4.6	6.8	9.1
Optimisation	17.0	21.2	25.5
Additional costs	(27.6)	(23.4)	(19.3)
Total ongoing/ annual net benefits	**3.6**	**18.8**	**34.0**
Total transition costs	**(67.0)**	**(64.8)**	**(62.5)**
Payback period	**N/A***	**6.4 years**	**4.0 years**

* Currently does not pay back within the 10-year period modelled

Council Tax

Calculating the Alternative Notional Amount

The following assumptions have been used when calculating the estimated Alternative Notional Amount:

- Council Tax for Band D properties is used as the reference point when calculating Council Tax rates across an area.
- The alternative notional amount is the weighted average of the assumed final combined Band D charge of the outgoing district and county council in each predecessor area.
- This provides a notional Band D amount that would have been charged in the year (2027/28) prior to vesting day, had a unitary authority/authorities been in place.
- For the purposes of estimating the alternative notional amount, the Fire Authority has been included for consistency and due to the complexities of separating out at this stage.

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

- Assumes that all Councils apply maximum increases (at current rates) between now and vesting day.
- No assumptions have been made around an increase in the number of effective Band D properties and these for the purposes of the model remain at 2025/26 numbers.

  Alternative notional amount is formally calculated by MHCLG and will take account of services transferring to the Strategic Authority such as Fire and therefore the actual value of the County element is likely to be lower to reflect this.

The estimated alternative notional amount calculated includes an element that is currently used to fund the Fire Authority and as such will need to be separated out at the point the authority transfers to the Strategic Authority.

The table below sets out the estimated alternative notional amount and Council Tax baseline for 2028/29 (including Fire Authority). This assumes that referendum limits, set out by the Government, remain at current levels (2.99% overall and 2% ASC precept) and that Council Tax is harmonised in year 1.

It should be noted that LGR-related Increases in Council Tax are subject to the same existing referendum principles, and exceptions to this would have to be granted by MHCLG. The alternative notional amount which will formally be calculated and set by MHCLG prior to vesting day is used to ensure that any Council Tax increases that result from LGR are fair and comply with the principles at the time and increases must not exceed these.

Table 9: Alternative notional amounts

	Option A	Option B1		Option B2	
		West	East	West	East
Alternative notional amount £	**2,215.58**	**2,219.13**	**2,212.51**	**2,234.81**	**2,194.13**
Estimated Council Tax baseline 2028/29 £m	**833**	**387**	**446**	**443**	**390**

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

Council Tax Harmonisation Rules

Council Tax harmonisation must comply with existing legislation and referendum principles, notably:

- In two-tier areas the starting point for harmonisation is the final combined Band D charge of the outgoing district and county council in each predecessor area (2027/28), known as the Alternative Notional Amount.
- The new authority can set different amounts of council tax in its predecessor areas for up to 7 years.
- Each year the gap must narrow between the highest charging predecessor area and the others.
- Increases are subject to referendum principles currently increases of 2.99% and 2% for the ASC precept.
- The new authority can choose to apply the principles to the amounts set in each predecessor area or to the overall weighted average Band D.

Current Council Tax Position (2025/26)

Currently each authority within the county sets its own council tax levels, the table below sets out the current average Band D Council Tax charge (less other precepts for parish/town/councils and police):

Option B1/B2 Benefits (costs)	District £	County £	Total £
Adur	343.70	1,800.53	**2,144.23**
Arun	214.62	1,800.53	**2,015.15**
Chichester	192.06	1,800.53	**1,992.59**
Crawley	239.04	1,800.53	**2,039.57**
Horsham	174.95	1,800.53	**1,975.48**
Mid Sussex	196.43	1,800.53	**1,996.96**
Worthing	275.66	1,800.53	**2,076.19**

Appendix 5: Financial modelling and sensitivity analysis continued

5.4 Savings Development continued

In the context of LGR it is important to note the following:

- Difference between the lowest and highest is relatively large at £168.75 and this is expected to increase to £179.00 by 2027/28 which can potentially make harmonisation more challenging.
- The County figure includes an element for the Fire Authority which will need to be separated out at the point the authority transfers to the Strategic Authority

Appendix 6: Service delivery insights and considerations

Service delivery snapshot

Given time and resource constraints we were not able to fully explore all services. As such we chose to focus on areas that could impact the viability of different unitary options. These insights will be developed as we undertake more detailed service design as part of the planning and implementation phase.

Current service landscape in West Sussex

Service area	Current delivery arrangement	Comments
Adult Social Care (ASC)	Countywide, with neighbourhood team and Integrated Care Team	Recently stabilised post-improvement: reliant on integrated commissioning
Children's Services	Countywide, including statutory safeguarding and commissioning	State of fragility: disruption poses risks to performance and regulatory status
Housing	District/borough led	Three separate HRAs. As councils are only permitted to run one HRA this could lead to mergers. Newly re-regulated status adds potential risk to this process, as well as overall performance
Strategic Housing	District/borough led	High level of unmet service demand and disruption poses risk to performance and impact on vulnerable people. Services are delivered separately, closely linked to ASC and prevention pathways
Revenues and Benefits	District/borough led	Varying processes and systems: critical for financial vulnerability support
Waste collection	District/borough led	Localised models: natural convergence underway due to national standards. A mix of in-house and contracted out. Very sensitive for residents
Waste disposal	County-led through long-term contracts	Requires continuity: sensitive to scale and asset control
Digital infrastructure	County-led, centralised team with district and borough digital leads	Highly trusted: county area solution used by other partners
Highways and planning	County-led (strategic): district-led (development management)	Separate delivery: operational coordination challenges
Property and facilities management (FM)	Managed separately across eight authorities	Consolidation will enable greater resilience and development of more specialisms

Appendix 6: Service delivery insights and considerations continued

Current service landscape in West Sussex continued

Service specifics – Adult Social Care (ASC) in West Sussex has recently emerged from a significant period of improvement, validated through a rating of 'good' in its recent Care Quality Commission (CQC) inspection. Over the past two years, the service has undergone a £8m improvement programme, leading to a more stable and effective footing. The service operates within a countywide model that is strategically aligned with health partners and integrated community teams. Its focus on older people's services has fostered closer collaboration with NHS partners, particularly in hospital discharge and community care pathways.

The ASC landscape in West Sussex is shaped by an ageing population, especially in coastal and rural areas, alongside varied levels of wealth and demand. A significant proportion of service income is derived from client contributions, with more affluent areas in the west contributing more, while coastal communities often rely more heavily on publicly funded care. This variation is an important consideration when evaluating the financial and operational implications of any reorganisation.

Under a single unitary authority model, ASC would retain its countywide operating structure. This continuity would support preservation of recent improvements and avoid the disruption that typically accompanies major structural changes. Existing governance, safeguarding boards, and commissioning arrangements would remain in place. The unitary model creates opportunities to integrate social care more closely with other services such as housing, revenues and benefits - services currently managed by district and borough councils. The result is the potential for more coordinated and preventative approaches, particularly for residents with complex needs.

In a two-unitary model, ASC responsibilities would be transferred to two separate councils. This would require the establishment of new leadership, commissioning, and governance structures within each authority. Each unitary would hold responsibility for ASC alongside key enablers such as housing and benefits, enabling place-based integration.

Some countywide services, such as mental health or learning disability support, may require restructuring or joint commissioning arrangements. These challenges are not insurmountable and could be mitigated through collaborative planning and robust governance. Cross-boundary issues, such as hospital discharge pathways, would require coordination protocols, while variation in funding and demand profiles would need to be addressed through equitable resource planning.

With effective transition planning, workforce engagement, and inter-authority collaboration, the two-unitary model can support continuity and quality in ASC delivery, while also offering opportunities for more locally responsive approaches.

Appendix 6: Service delivery insights and considerations continued

Current service landscape in West Sussex continued

There are also practical implications for service delivery under a two-unitary model. Hospital discharge pathways would likely need to be redesigned, particularly where acute trusts serve residents from both unitary areas. Geographic variation in demand and funding sources further complicates financial planning, with the west likely to retain more self-funders and the east managing greater housing and care-related need. Although shared service models could mitigate some duplication, these would need to be underpinned by strong governance and coordination mechanisms.

Regardless of the model chosen, the transition must be managed with care. Safeguarding structures must remain robust and uninterrupted, and existing contracts with care providers, many of which operate at scale, must be reviewed and realigned without service degradation. IT systems and case management platforms must also be reconciled or migrated carefully to ensure continuity of care. Staff engagement and reassurance are paramount, particularly given the fragile improvements that have only recently been made. Alignment with the NHS and Integrated Care System partners must also be preserved, to avoid disruption to preventative services and frontline delivery.

ASC remains one of the most complex and high-stakes areas within local government reorganisation. It demands a considered approach that prioritises stability, service continuity, and the protection of vulnerable residents. Whether implemented through a single or dual unitary structure, success will depend on how effectively the transition is planned and how well the future operating model supports integration, resilience, and adaptability across the system.

Options appraisal scoring validation:

This service context supports a higher score for the single tier model under *avoiding unnecessary fragmentation*, given the benefits of retaining an established governance and commissioning framework. Both models offer opportunities to build on current best practice and integrate with related services, but the scale and complexity of change in the two-tier scenario increases the operational risk profile, which is reflected in its lower score for impact on crucial services.

Service specifics: Children's Services in West Sussex has undergone a significant five-year improvement journey, emerging from a period of transformation intervention and intense scrutiny. The service remains in a state of sustained but fragile recovery, where continuity, stability, and consistency of leadership/practice are important to maintain the progress made. Current arrangements provide countywide governance, safeguarding structures, and integrated support teams. These not only support statutory compliance but also provide resilience for managing complex and high-cost cases.

The wider context is one of growing demand, constrained funding, and acute workforce pressures across the children's social care system nationally. Against this backdrop, any structural change must be designed to avoid unnecessary disruption and protect the gains made so far.

Appendix 6: Service delivery insights and considerations continued

Current service landscape in West Sussex continued

Under a single unitary authority, the existing Children's Services structure would largely remain in place. This would minimise disruption to leadership and governance, maintain continuity in home-to-school transport, SEND pathways, and safeguarding arrangements, and enable the service to retain its current Ofsted status without resetting regulatory oversight. The model could also enhance integration opportunities with housing, benefits, and early help services, many of which are currently delivered at a local level.

In a two-unitary model, Children's Services would be reconfigured across two authorities. This would require the creation of new statutory roles (operational and political), potentially safeguarding boards, and commissioning arrangements. While this introduces complexity, it is not unmanageable. Transition risks, such as potential Ofsted resets, workforce disruption, and the loss of commissioning scale, can be mitigated through strong design choices. These might include joint commissioning boards, cross-boundary governance protocols, and shared inspection preparation strategies.

It is worth noting that during its recent improvement journey, the option of forming a Children's Trust was explored but ultimately avoided. This was due to high costs (c. £4m), concerns over the loss of democratic accountability, and evidence from other areas suggesting limited benefit, particularly where multiple authorities are involved. For this reason, the establishment of a Trust is not proposed as part of any future model, including in the event of a two-unitary structure.

Regardless of the structure adopted, the safe transition of Children's Services will require early planning and prioritisation. This includes maintaining current leadership where possible, securing safeguarding governance, managing data and case continuity, and ensuring clear communication with regulators and staff.

The stability of Children's Services must be protected throughout the LGR process. Whether within a single authority or across two, the focus must remain on preserving the conditions that support safe, consistent, and improving outcomes for children and families across West Sussex.

Options appraisal scoring validation:

This service context supports a higher score for the single tier model under *avoiding unnecessary fragmentation*, given the benefits of retaining an established governance and commissioning framework. Both models offer opportunities to build on current best practice and integrate with related services, but the scale and complexity of change in the two-tier scenario increases the operational risk profile, which is reflected in its lower score for impact on crucial services.

Service Specifics: Housing

There are three Housing Revenue Accounts (HRAs) within West Sussex (Adur, Arun and Crawley), with some 14,500 properties, a further 2,500 leasehold units, an annual income of £101m and a combined debt of over £368m.

Appendix 6: Service delivery insights and considerations continued

Current service landscape in West Sussex continued

Like ASC and Children's Services, HRAs have recently become re-regulated and are subject to external scrutiny and inspection by the Regulator for Social Housing. Both Crawley and Adur have recently had their first inspection under a new regime. Crawley with a C2 has identified weaknesses and is currently developing its improvement plan with the aim of moving towards a C1 rating. Adur received a C4 rating identifying some failings and have been subject to intensive scrutiny in its improvement programme. Arun has self-referred areas of weakness and recently received a C4 rating which is being reviewed.

Any council can only have one Housing Revenue Account, and so merging councils will mean merging the HRAs. Each of the three options being considered impacts upon how that merger takes place. Option A would see all three merge into a single HRA, combining as above. Option B1 would see Crawley and Adur merge into a single HRA, creating one large HRA (income £78m with debt of £308m), and one smaller (income £23m with debt of £60m). Option B2 would see Adur and Arun merging (income £40m and debt of £112m) with Crawley remaining as currently (income £61m with debt of £256m).

Whilst the Government does not directly refer to HRAs within its guidance, the Regulator has made it clear they will take a strong interest in any mergers which come about as a result of reorganisation. Although the exact nature of this is yet to be established, the Regulator has indicated that there will be a focus on the safety of tenants (continued within the safety & Quality Standard) and engagement with tenants, who will in effect be gaining a new landlord. This will require upfront planning and work to assure the Regulator.

Service specifics: other district and borough council services represent many of the most visible and day-to-day interactions residents have with local government. From managing homelessness, waste collection, housing enforcement, environmental health, planning control, and parks, to supporting community wellbeing and local licensing, these functions collectively form the operational backbone of the public service experience.

These vital key services shape the quality of life in local communities. Housing services support some of our most vulnerable residents by supporting those most at risk of homelessness and ensuring housing standards are met across the public and private sectors. Leisure services are another key service area, with district and borough councils overseeing the provision of parks, sports centres, swimming pools, and cultural venues that promote health, wellbeing, and community engagement. Waste collection and recycling are also central functions, ensuring that household rubbish is collected regularly, recycling targets are met, and environmental sustainability is prioritised. These services are not only practical but also fundamental to creating safe, active, and thriving neighbourhoods.

Appendix 6: Service delivery insights and considerations continued

Current service landscape in West Sussex continued

The Government's stated priority for local government reorganisation is on the continuity and improvement of critical services, including homelessness, the aggregation of district and borough services offers one of the most significant opportunities. These services are often similar in scope, purpose, and function across all councils, but have evolved under different systems, cultures, and standards. However they can in some cases differ significantly in terms of the level of need that manifests locally and the structural differences of place (for instance homelessness and temporary accommodation) LGR provides a unique opportunity to bring them together and build on existing services levels and improve value for money, but will also still need to be able to respond to differing levels of need on the ground and a more localised response in some areas.

Bringing these services into a single or coordinated organisational structure, whether under a single unitary or two unitaries, would allow for the alignment of service models (whilst still providing for differing needs across places where required), the pooling of specialist capacity, and the introduction of consistent policies and systems. Residents would benefit from clearer, more predictable service standards (for example, uniform waste collection schedules or harmonised planning portals), while staff would gain access to stronger peer networks, shared training and career development, and greater operational resilience.

This is not about removing local responsiveness. Locality-based delivery can and should continue but underpinned by a consistent operating model that makes use of shared digital infrastructure, common workforce standards, and modernised commissioning. Services such as housing enforcement, building control or environmental health would benefit from scale, shared data systems, and stronger integration with social care and public health.

The transition to unitary government creates an opportunity not simply to replicate existing arrangements at scale, but to design improved ones. Aggregation provides the foundation to invest in smarter systems, share best practice, and create a more resilient, modern local government offer for all residents of West Sussex.

Appendix 7: Implementation plan

Phase	Starting date	Activities
Preparation Preparation while the Government decides on the future model for the West Sussex area.	Oct 2025	• support government consultation on proposals • Secretary of State decision expected Jan-Mar 26 • mobilise Programme Director, Programme and Delivery Team (including Comms) • baseline current state – services, delivery models, staffing, systems, contracts, performance, assets • development of programme principles for alignment of change activity • develop transition governance • engage with key stakeholders • inform preparation of structural orders • risk management
Planning Detailed planning phase, overseen by a Joint Committee.	April 2026	• establish interim arrangements • define electoral areas to inform the councillor base • elections preparation • development of detailed operating model(s) and design principles • transition and implementation planning • planning and designing key IT systems consolidation • pilot new ways of working where feasible • creation of single contracts register • high level HR transition plan • change management plan • risk management
Delivery (Shadow year) Shadow authorities are set up to support a smooth transition when local government structures are changed. Appointed councillors and senior officers oversee the key activities.	April 2027	• elections (May) • appointment of Statutory Officers • establish constitutional arrangements including scrutiny and risk management • establish operating models and optimisation programme • financial arrangements and budget setting • staff transition planning • key IT systems and data harmonisation/ consolidation • assets strategy • community and neighbourhood governance • develop policies and procedures • develop and test service continuity plans • communications and engagement • planning for vesting day
Optimisation (Vesting day onwards) Launch of the new authority and statutory powers transferred.	April 2028 and onwards	• new unitary authority/authorities operational • operating model embedding • corporate strategies/plans/performance • staff TUPE transfer to new authority • terms and conditions harmonisation • culture and ways of working • dissolve legacy councils • service review and evaluation – ongoing • delivery of the optimisation programme

Appendix 8: Risk register

This risk register focuses on risks that:

- may affect both the successful implementation of the programme
- and the realisation of its intended benefits.

The Programme Board will oversee risk management, supported by regular reviews at workstream and programme levels. Risks will be escalated as appropriate, and mitigation actions will be agreed and tracked to ensure timely resolution. A benefits realisation risk log will also be maintained to monitor threats to achieving the programme's strategic objectives.

Transition delivery risks	
Risk	**Risk strategy**
1. Delayed Secretary of State decision beyond March 2026 will delay the detailed design work	Build on the current momentum. Mobilise the Transition Programme Team and start preparation work as soon as the proposal is submitted to get ahead of the work that we know is needed.
2. Unknown legislation for neighbourhood community governance makes designing the new authority challenging	Feed in recommendations through this report and maintain close contact with our MHCLG representatives.
3. Programme competes for the same resources required to deliver local programmes or business as usual resulting in slow progress for LGR and/or reduced business as usual capability and capacity	Business case sets out programme team approach and costs – mobilise team as possible and backfill where possible. Ensure any disruption to business as usual is planned, communicated and minimised accordingly.
4. Programme creates distraction within individual organisations resulting in loss of momentum on critical (non-LGR) projects – statutory services	Individual organisations governance to prioritise those projects that remain critical whilst securing adequate resource to support LGR – difficult prioritisation decisions will need to be made.
5. Councils may stop collaborating or disengage if they do not support the decided option	Strong leadership and establish governance boards with agreed terms of reference and decision making.
6. Disaggregating critical services may give instability to the current services and current improvement plans	Continuity and priority given to these services to ensure a safe and managed transition with operating models to be agreed early on. Some current improvement programmes may need to pause to enable capacity. The services must have fully functioning leadership, statutory systems and local delivery infrastructure for vesting day.
7. Insufficient and not meaningful stakeholder engagement may lead to confusion or resistance	Build upon the engagement to-date and prepare a transition engagement strategy and plan, tailored to the stakeholders.

Appendix 8: Risk register *continued*

Transition delivery risks	
Risk	**Risk strategy**
8. Legal and HR challenges to establishing the new unitary authority/authorities	Programme Team to include legal and HR specialists. HR strategy and change management planning required to understand the safe, legal and fair path to convergence. Learn from others that have done this before.
9. Recruitment and retention challenges if staff and senior leadership become anxious or disengaged	Ensure a change-management programme is established. Invest in West Sussex area wide development of staff – start to create networks, involve staff, provide training opportunities and provide wellbeing support throughout.
10. Cultural misalignment	Develop change-management programme and People Strategy for the new organisation
11. Complexities in merging/separating systems, data and assets	Create dedicated workstreams within the programme with dedicated resources, plans, testing and contingency plans. For vesting day focus on the key enabling systems and programme the latter depending on contract end dates or opportunities that arise. Early creation of a single contract register will support.
12. Insufficient time to establish shared IT systems	Early planning and IT strategy to align critical systems – Finance, HR, Payroll, ASC and CSC.

Benefits realisation risks	
Risk	**Risk strategy**
1. Identified savings may not be realised, leading to adverse impact on the services, continued demand pressures, budget pressures and failure to achieve the desired outcome	Early decision by councillors on the 'must do' priorities. Strong benefits realisation and tracking to take place by the Programme Team, flagging to relevant boards any risks of achieving them.
2. Lose key experienced staff throughout the journey	Strong leadership, communicating the vision and aspirations of the future, and building an organisation that people will want to be part of. Should key roles become vacant through the transition, partners to consider where collectively, gaps can be co-managed and opportunities for existing staff made available.
3. Council's savings requirements change throughout the remaining years	Medium term financial savings (MTFS) have been factored into the financial model. Should further savings be required, possible early collaboration where possible with partners may alleviate some pressure.

Appendix 8: Risk register *continued*

Benefits realisation risks	
Risk	**Risk strategy**
4. Legacy ways of working are difficult to leave behind.	Strong focus on cultural change, optimisation of the services and training to ensure we build on the current capabilities and develop the very best approaches together.
5. Existing councils are stuck in contracts that are difficult to either novate, terminate or have commitments that have a longer-term adverse impact on the financial position.	Preparation phase should create a single contract register and agree a spending protocol before Section 24 notice is given.
6. Costs of change are greater than anticipated. The savings profile is impacted as a result.	Monitor costs closely within the programme and escalate as soon as the spend profile deviates so remediation plans can be implemented early. Reasonable contingency included in the transition costs.

Appendix 9: Equality impact assessment

9.1 Introduction

This Equality Impact Assessment (EIA) has been prepared to inform the decision-making process for West Sussex councils, in relation to the proposed local government reorganisation (LGR). It offers an initial, high-level analysis of the potential equality-related implications arising from the options proposed for the creation of unitary government.

The assessment has been developed in accordance with the councils' collective statutory obligations under the Equality Act 2010 and reflects the ongoing commitment to promoting fairness, inclusion, and equitable access to services. It also considers key influencing factors such as poverty and rural isolation, which can significantly affect both access to services and outcomes for residents and employees.

It is not anticipated that this business case will result in a change to the range or nature of services currently provided across West Sussex. Any future change will be a matter for the shadow or unitary authority/authorities. As a result, the impact of any changes on vulnerable and protected characteristic groups will be an important consideration in the planning and implementation of services. This impact assessment therefore can only be a starting point and forms a basis on which the implementation team can develop the design and transition phase once the future direction is known.

9.2 Purpose and scope

The purpose of this assessment is to evaluate how the proposed reorganisation may affect individuals with protected characteristics, as well as those experiencing socio-economic disadvantage or rural isolation. The analysis draws on publicly available data, findings from early engagement activities, and existing workforce diversity information.

At this stage, the EIA:

Includes:

- a broad analysis of equality implications across the proposed LGR options, based solely on available public data
- consideration of potential effects on both residents and staff resulting from changes in infrastructure and systems
- identification of potential positive and negative impacts, alongside proposed mitigation strategies
- a commitment to ongoing development of the assessment, with more detailed analysis to follow upon selection of a preferred option

9.2 Purpose and scope continued

Does not include:

- detailed analysis of service-level impacts, which remain unknown at this stage
- review of individual service changes, as the current proposal does not involve immediate alterations to service delivery

EIAs consider the nine protected characteristics defined by the Equality Act 2010:

1. Age
2. Disability
3. Gender reassignment
4. Pregnancy and maternity
5. Race and ethnicity
6. Religion or belief
7. Biological sex
8. Sexual orientation
9. Marriage and civil partnership

9.3 Key findings

Residents

The proposed changes could influence how residents access services, with implications for older people, children, disabled individuals, and those living in poverty or rural communities. These risks could be mitigated by building new authorities upon existing core services, infrastructure, and governance frameworks. At the same time, there is an opportunity to develop localised, responsive, and inclusive public services.

Staff

The transition period may have implications for job security, working conditions, staff wellbeing and loss of representation from minority groups (including women) in senior roles. Key concerns include the possible fragmentation of teams, loss of organisational knowledge, and the weakening of inclusive workplace practices. Without careful planning, these impacts may disproportionately affect staff with protected characteristics, potentially reinforcing existing inequalities. However, the transition presents a chance to establish and embed inclusive employment practices from the outset, building on the already good practices across the councils.

9.3 Key findings continued

Mitigation and next steps

The reorganisation inevitably provides both challenges and opportunities. While the transition may cause short-term disruption to services, operations, and staff. These impacts, both positive and negative, will be carefully managed.

The programme is committed to:

- embedding equality considerations throughout all phases of design and delivery
- meaningful engagement with residents, staff, and partners to help shape inclusive and equitable proposals
- maintaining strong data governance, ensuring continuity of care, and delivering services that are culturally competent
- supporting staff through transparent communications, equitable employment practices, and strategies that promote workforce stability and creating a new organisation and culture that people want to be part of

9.4 Review of protected characteristics

Introduction

The proposed creation of unitary authorities to replace the existing two-tier system will bring changes to how services are delivered to residents across West Sussex.

Data availability

This assessment is informed by publicly available sources from Census 2021.

9.4.1 Residents

We recognise that residents are central to local government, and we are committed to ensuring their needs, perspectives, and lived experiences shape the LGR process. This includes understanding the potential impacts on different groups and taking steps to prevent any group from being disproportionately disadvantaged. The transition and implementation phase of LGR presents the highest risk. Identifying and mitigating these risks is crucial to safeguarding residents’ interests and ensuring positive outcomes. When effectively managed, LGR also presents opportunities for optimising improvements and long-term benefits.

9.4 Review of protected characteristics continued

9.4.1 Residents

Age

Main Option	0-15 %	16-24 %	25-34 %	35-49 %	50-64 %	65 and over %
A - Whole County	**17.6**	**8.6**	**11.5**	**18.9**	**20.5**	**22.8**
Adur	18.0	8.0	10.6	19.5	20.4	23.6
Arun	15.4	8.2	10.8	16.4	20.9	28.4
Chichester	15.6	9.5	10.1	16.2	21.5	27.1
Crawley	21.0	9.9	15.7	22.4	17.7	13.3
Horsham	17.8	8.3	10.9	18.5	21.8	22.8
Mid Sussex	19.2	8.2	11.0	20.6	20.3	20.6
Worthing	17.0	8.5	12.0	19.5	20.5	22.4
B1 - East	**19.2**	**8.7**	**12.3**	**20.4**	**20.1**	**19.3**
Crawley	21.0	9.9	15.7	22.4	17.7	13.3
Horsham	17.8	8.3	10.9	18.5	21.8	22.8
Mid Sussex	19.2	8.2	11.0	20.6	20.3	20.6
B1 - West	**16.2**	**8.6**	**10.9**	**17.5**	**20.9**	**26.0**
Adur	18.0	8.0	10.6	19.5	20.4	23.6
Arun	15.4	8.2	10.8	16.4	20.9	28.4
Chichester	15.6	9.5	10.1	16.2	21.5	27.1
Worthing	17.0	8.5	12.0	19.5	20.5	22.4
B2 - East	**19.0**	**8.6**	**12.1**	**20.3**	**20.1**	**19.9**
Adur	18.0	8.0	10.6	19.5	20.4	23.6
Crawley	21.0	9.9	15.7	22.4	17.7	13.3
Horsham	17.8	8.3	10.9	18.5	21.8	22.8
Mid Sussex	19.2	8.2	11.0	20.6	20.3	20.6
B2 - West	**15.9**	**8.7**	**10.9**	**17.2**	**20.9**	**26.3**
Arun	15.4	8.2	10.8	16.4	20.9	28.4
Chichester	15.6	9.5	10.1	16.2	21.5	27.1
Worthing	17.0	8.5	12.0	19.5	20.5	22.4

Appendix 9: Equality impact assessment continued

9.4 Review of protected characteristics continued

9.4.1 Residents continued

Age continued

Potential negative impact

Care continuity and service equity – ensuring that older adults and families do not face disruptions in care during transitions and that they still have the continuing support that is required. Operating models will be agreed as soon as possible in the process, to ensure aligned priorities for equal access to support via geographical location.

Potential positive impact

Service integration and prevention – bringing together services currently managed by upper and lower-tier organisations, such as housing, homelessness support, mental health, and home care, could enhance coordination and accelerate service delivery for residents.

Community-centred support – localised services have the potential to better address the unique needs of diverse communities, ranging from older adults to children. Transitioning to unitary authorities may facilitate care pathways that are closely aligned with local demographic profiles.

Strengthened collaboration – focusing on smaller geographical areas can foster closer working relationships between local partners, providers, and community groups. With increased local autonomy, services may benefit from quicker assessments and more agile, responsive support.

Appendix 9: Equality impact assessment continued

9.4 Review of protected characteristics continued

9.4.1 Residents continued

Disability

Main Option	Disabled under the Equality Act %
A - Whole County	**16.9**
Adur	19.5
Arun	19.7
Chichester	16.9
Crawley	14.9
Horsham	14.9
Mid Sussex	14.5
Worthing	19.1
B1 - East	**14.7**
Crawley	14.9
Horsham	14.9
Mid Sussex	14.5
B1 - West	**18.8**
Adur	19.5
Arun	19.7
Chichester	16.9
Worthing	19.1
B2 - East	**15.4**
Adur	19.5
Crawley	14.9
Horsham	14.9
Mid Sussex	14.5
B2 - West	**18.7**
Arun	19.7
Chichester	16.9
Worthing	19.1

Appendix 9: Equality impact assessment continued

9.4 Review of protected characteristics continued

9.4.1 Residents continued

Disability continued

Potential negative impact

It is important to ensure that residents with disabilities are well supported through any changes. With the right planning, the reform offers an opportunity to improve inclusion and accessibility. Key considerations include:

- making sure any new office spaces, systems, or ways of working remain accessible to everyone
- ensuring commun cation methods work well for people with different needs, such as those with sensory or cognitive disabilities
- keeping workplace adjustments in place during the transition and reviewing them where needed to make sure they still meet individual requirements
- helping employees maintain support networks, especially when teams or managers change
- being mindful of how change can impact wellbeing and taking steps to reduce anxiety, particularly for those with mental health conditions or neurodivergent styles
- supporting digital inclusion by providing accessible technology, training, and alternative formats where needed
- By focusing on these areas, the reform can be a chance to create a more inclusive, supportive, and accessible workplace for all.

Potential positive impact

Place-based approach – adopting a more place-based strategy could be highly effective in directing and coordinating health improvement initiatives. Communities with higher disability rates may benefit from expanded healthcare and social care services, greater accessibility across public spaces and transportation systems, and targeted outreach and support programmes. In contrast, areas with lower disability prevalence could prioritise preventative healthcare and inclusive design to help preserve independence and quality of life.

Co-production of services – greater involvement of disabled individuals and advocacy groups at the local level presents an opportunity to shape services that more accurately reflect the needs of the community. This collaborative input can enhance the relevance, responsiveness, and impact of local provision.

9.4 Review of protected characteristics continued

9.4.1 Residents continued

Gender reassignment

Main Option	Gender identity not the same as sex at birth or not answered %
A - Whole County	**5.5**
Adur	5.0
Arun	5.8
Chichester	5.3
Crawley	6.6
Horsham	4.8
Mid Sussex	5.0
Worthing	5.9
B1 - East	**5.4**
Crawley	6.6
Horsham	4.8
Mid Sussex	5.0
B1 - West	**5.6**
Adur	5.0
Arun	5.8
Chichester	5.3
Worthing	5.9
B2 - East	**5.3**
Adur	5.0
Crawley	6.6
Horsham	4.8
Mid Sussex	5.0
B2 - West	**5.7**
Arun	5.8
Chichester	5.3
Worthing	5.9

Appendix 9: Equality impact assessment continued

9.4 Review of protected characteristics continued

9.4.1 Residents continued

Gender reassignment continued

Potential negative impact

Service continuity – during the reorganisation, there may be short-term changes that affect access to specialised support. By planning carefully and maintaining clear communication, services can continue smoothly and consistently throughout the transition.

Protecting data security – as systems are updated or merged, there is a greater need to handle personal data with care. Strong safeguards and clear processes will help keep sensitive information secure and protect residents' privacy.

Supporting gender-reaffirming services – changes to service structures could impact access to gender-reaffirming care and inclusive environments. Taking proactive steps will help ensure these important services are protected and continue to meet the needs of the community.

Potential positive impact

Personalised, inclusive support – a locally driven approach to service delivery could offer more personalised and inclusive support, including better access to gender identity services tailored to the distinct needs of each community.

Advancing gender-inclusive services – new unitary authority/authorities could play a crucial role in promoting gender inclusivity through comprehensive staff training, the adoption of inclusive policies, and robust confidentiality practices. These measures can help strengthen safety and wellbeing for transgender individuals across the region.

9.4 Review of protected characteristics continued

9.4.1 Residents continued

Pregnancy and maternity

Main Option	Number of live births: all gastational ages
A - Whole County	**7,645**
Adur	477
Arun	1,223
Chichester	957
Crawley	1,423
Horsham	1,214
Mid Sussex	1,457
Worthing	894
B1 - East	**4,094**
Crawley	1,423
Horsham	1,214
Mid Sussex	1,457
B1 - West	**3,551**
Adur	477
Arun	1,223
Chichester	957
Worthing	894
B2 - East	**4,571**
Adur	477
Crawley	1,423
Horsham	1,214
Mid Sussex	1,457
B2 - West	**3,074**
Arun	1,223
Chichester	957
Worthing	894

9.4 Review of protected characteristics continued

9.4.1 Residents continued

Pregnancy and maternity continued

Potential negative impact

Some early disruption to maternity care may occur as services are reorganised during LGR. However, steps will be taken to protect and strengthen these services, especially those that are statutory.

There may also be differences in how the new unitary authority/authorities deliver support, such as maternity policies, childcare funding, and parenting programmes. By working closely across areas, efforts will be made to provide more consistent and fair support for families wherever they live.

Potential positive impact

Localised family support – delivering services at a more local level can make it easier for parents to access key support, such as community hubs, early years care, and parenting programmes, particularly when services are situated near where families live and interact daily.

Enhanced wraparound care – new local authority/authorities may strengthen coordination between social care, health visitors, and maternity services at the community level, enabling more comprehensive wraparound care for families. This integrated approach can improve outcomes and make support more accessible and responsive to individual family needs.

9.4 Review of protected characteristics continued

9.4.1 Residents continued

Ethnicity

Main Option	Minority ethnic %	Not stated %	White %
A - Whole County	**7.3**	**0.0**	**92.7**
Adur	4.8	0.0	95.2
Arun	3.1	0.0	96.9
Chichester	3.4	0.0	96.6
Crawley	23.8	0.0	76.2
Horsham	4.9	0.0	95.1
Mid Sussex	5.9	0.0	94.1
Worthing	6.8	0.0	93.2
B1 - East	**10.6**	**0.0**	**89.4**
Crawley	23.8	0.0	76.2
Horsham	4.9	0.0	95.1
Mid Sussex	5.9	0.0	94.1
B1 - West	**4.3**	**0.0**	**95.7**
Adur	4.8	0.0	95.2
Arun	3.1	0.0	96.9
Chichester	3.4	0.0	96.6
Worthing	6.8	0.0	93.2
B2 - East	**9.9**	**0.0**	**90.1**
Adur	4.8	0.0	95.2
Crawley	23.8	0.0	76.2
Horsham	4.9	0.0	95.1
Mid Sussex	5.9	0.0	94.1
B2 - West	**4.2**	**0.0**	**95.8**
Arun	3.1	0.0	96.9
Chichester	3.4	0.0	96.6
Worthing	6.8	0.0	93.2

9.4 Review of protected characteristics continued

9.4.1 Residents continued

Ethnicity continued

Potential negative impact

As services are reorganised, there is a risk that central equality teams or structures supporting county-wide anti-racism work could be lost. This might affect the consistency and visibility of race equality efforts. To maintain progress, it will be important to find new ways to coordinate this work and ensure community cohesion remains a clear and active priority.

Potential positive impact

Culturally tailored services – emerging unitary authority/authorities could reshape service provision to be more culturally responsive, ensuring that programmes and support systems reflect the unique demographic profiles of their local populations. This approach promotes inclusivity and helps meet the diverse needs of residents more effectively.

Collaborative services – these authorities also hold the potential to strengthen local engagement with ethnically diverse communities, particularly in areas with a higher concentration of specific ethnic groups. By co-producing services with residents and advocacy groups, councils can ensure that interventions are more relevant, trusted, and impactful.

Appendix 9: Equality impact assessment continued

9.4 Review of protected characteristics continued

9.4.1 Residents continued

Religion or belief

Main Option	Buddhist	Christian	Does not apply	Hindu	Jewish	Muslim	No religion	Not answered	Other religion	Sikh
A - Whole County	**3,778**	**424,495**	**0**	**10,128**	**1,707**	**19,226**	**363,049**	**53,802**	**5,108**	**1,381**
Adur	274	27,836	0	209	249	840	30,890	3,820	392	31
Arun	502	85,922	0	391	262	1,157	65,762	9,953	861	79
Chichester	611	65,910	0	312	226	685	47,977	7,640	664	43
Crawley	529	50,497	0	6,090	96	11,521	41,555	6,720	634	851
Horsham	581	72,325	0	814	272	1,270	61,763	8,990	658	105
Mid Sussex	577	73,108	0	1,573	328	1,841	64,207	9,666	1,121	148
Worthing	704	48,897	0	739	274	1,912	50,895	7,013	778	124
B1 - East	**1,687**	**195,930**	**0**	**8,477**	**696**	**14,632**	**167,525**	**25,376**	**2,413**	**1,104**
Crawley	529	50,497	0	6,090	96	11,521	41,555	6,720	634	851
Horsham	581	72,325	0	814	272	1,270	61,763	8,990	658	105
Mid Sussex	577	73,108	0	1,573	328	1,841	64,207	9,666	1,121	148
B1 - West	**2,091**	**228,565**	**0**	**1,651**	**1,011**	**4,594**	**195,524**	**28,426**	**2,695**	**277**
Adur	274	27,836	0	209	249	840	30,890	3,820	392	31
Arun	502	85,922	0	391	262	1,157	65,762	9,953	861	79
Chichester	611	65,910	0	312	226	685	47,977	7,640	664	43
Worthing	704	48,897	0	739	274	1,912	50,895	7,013	778	124
B2 - East	**1,961**	**223,766**	**0**	**8,686**	**945**	**15,472**	**198,415**	**29,196**	**2,805**	**1,135**
Adur	274	27,836	0	209	249	840	30,890	3,820	392	31
Crawley	529	50,497	0	6,090	96	11,521	41,555	6,720	634	851
Horsham	581	72,325	0	814	272	1,270	61,763	8,990	658	105
Mid Sussex	577	73,108	0	1,573	328	1,841	64,207	9,666	1,121	148
B2 - West	**1,817**	**200,729**	**0**	**1,442**	**762**	**3,754**	**164,634**	**24,606**	**2,303**	**246**
Arun	502	85,922	0	391	262	1,157	65,762	9,953	861	79
Chichester	611	65,910	0	312	226	685	47,977	7,640	664	43
Worthing	704	48,897	0	739	274	1,912	50,895	7,013	778	124

Appendix 9: Equality impact assessment continued

9.4 Review of protected characteristics continued

9.4.1 Residents continued

Religion or belief continued

Potential negative/positive impact

Whilst it is difficult to quantify potential impacts related to this characteristic, faith communities can be important sources of support for people, including older people and newly arrived populations. Therefore consideration should be given as implementation progresses as to how to ensure we engage with faith groups where needed.

Appendix 9: Equality impact assessment continued

9.4 Review of protected characteristics continued

9.4.1 Residents continued

Sex

Main Option	Female %	Male %
A - Whole County	**51.4**	**48.6**
Adur	51.6	48.4
Arun	51.8	48.2
Chichester	52.0	48.0
Crawley	50.2	49.8
Horsham	51.2	48.8
Mid Sussex	51.5	48.5
Worthing	51.7	48.3
B1 - East	**51.0**	**49.0**
Crawley	50.2	49.8
Horsham	51.2	48.8
Mid Sussex	51.5	48.5
B1 - West	**51.8**	**48.2**
Adur	51.6	48.4
Arun	51.8	48.2
Chichester	52.0	48.0
Worthing	51.7	48.3
B2 - East	**51.1**	**48.9**
Adur	51.6	48.4
Crawley	50.2	49.8
Horsham	51.2	48.8
Mid Sussex	51.5	48.5
B2 - West	**51.8**	**48.2**
Arun	51.8	48.2
Chichester	52.0	48.0
Worthing	51.7	48.3

Appendix 9: Equality impact assessment continued

9.4 Review of protected characteristics continued

9.4.1 Residents continued

Sex continued

Potential negative impact

Research suggests women are more likely to rely on county council and district and borough services (both targeted and universal) and so disruption of any significant kind to service delivery would likely disproportionately impact them.

We also know from service-level data that we have more older women than men, therefore they are more likely to be affected by any potential disruption to adult social care.

Potential positive impact

Opportunity to address gender-based service inequalities – the transition toward unitarisation, alongside a broader review of service delivery, offers a valuable opportunity to revisit and strengthen work aimed at tackling gender-based disparities.

This includes targeted strategies to address issues such as domestic abuse, unequal representation across the workforce, and other forms of gender-based exclusion. A more integrated and locally responsive approach could help shape services that better meet the needs of all genders and embed equity more firmly into everyday delivery.

9.4 Review of protected characteristics continued

9.4.1 Residents continued

Sexual orientation

Main Option	All other sexual orient-ations	Bisexual	Gay or lesbian	Not answered	Straight or hetero-sexual	Total: all usual residents aged 16 years and over
A - Whole County	**1,990**	**8,165**	**11,043**	**49,012**	**656,904**	**727,114**
Adur	153	623	1,015	3,426	47,736	52,953
Arun	310	1,361	2,002	9,888	125,990	139,551
Chichester	306	1,257	1,418	6,871	94,857	104,709
Crawley	302	1,018	1,399	6,752	84,098	93,569
Horsham	267	1,223	1,584	7,497	110,092	120,663
Mid Sussex	302	1,303	1,642	7,792	112,276	123,315
Worthing	350	1,380	1,983	6,786	81,855	92,354
B1 - East	**871**	**3,544**	**4,625**	**22,041**	**306,466**	**337,547**
Crawley	302	1,018	1,399	6,752	84,098	93,569
Horsham	267	1,223	1,584	7,497	110,092	120,663
Mid Sussex	302	1,303	1,642	7,792	112,276	123,315
B1 - West	**1,119**	**4,621**	**6,418**	**26,971**	**350,438**	**389,567**
Adur	153	623	1,015	3,426	47,736	52,953
Arun	310	1,361	2,002	9,888	125,990	139,551
Chichester	306	1,257	1,418	6,871	94,857	104,709
Worthing	350	1,380	1,983	6,786	81,855	92,354
B2 - East	**1,024**	**4,167**	**5,640**	**25,467**	**354,202**	**390,500**
Adur	153	623	1,015	3,426	47,736	52,953
Crawley	302	1,018	1,399	6,752	84,098	93,569
Horsham	267	1,223	1,584	7,497	110,092	120,663
Mid Sussex	302	1,303	1,642	7,792	112,276	123,315
B2 - West	**966**	**3,998**	**5,403**	**23,545**	**302,702**	**336,614**
Arun	310	1,361	2,002	9,888	125,990	139,551
Chichester	306	1,257	1,418	6,871	94,857	104,709
Worthing	350	1,380	1,983	6,786	81,855	92,354

9.4 Review of protected characteristics continued

9.4.1 Residents continued

Sexual orientation continued

Potential negative impact

LGBTQ+ residents may be at risk if inclusive services are not maintained consistently across the new unitary authority/authorities. These could include safeguarding and other specialist services.

Potential positive impact

Implementation of adequate staff training and inclusive policies across the new unitary authority/authorities could enhance inclusivity of services and translate into improved outcomes for LGBTQ+ people.

9.4 Review of protected characteristics continued

9.4.1 Residents continued

Marriage and civil partnership

Main Option	Divorced or CP dissolved	Does not apply	Married or in a registered CP	Never married and never registered a CP	Separated, but still legally married or legally in a CP	Widowed or surviving CP partner
A - Whole County	**74,320**	**155,556**	**351,766**	**234,295**	**15,766**	**50,972**
Adur	5,825	11,591	24,133	17,748	1,206	4,041
Arun	15,743	25,335	66,225	42,766	3,105	11,715
Chichester	10,601	19,358	51,510	32,271	2,213	8,115
Crawley	8,758	24,924	41,951	35,889	2,249	4,722
Horsham	11,320	26,115	63,349	35,726	2,334	7,934
Mid Sussex	11,396	29,250	63,947	37,734	2,459	7,779
Worthing	10,677	18,983	40,651	32,161	2,200	6,666
B1 - East	**31,474**	**80,289**	**169,247**	**109,349**	**7,042**	**20,435**
Crawley	8,758	24,924	41,951	35,889	2,249	4,722
Horsham	11,320	26,115	63,349	35,726	2,334	7,934
Mid Sussex	11,396	29,250	63,947	37,734	2,459	7,779
B1 - West	**42,846**	**75,267**	**182,519**	**124,946**	**8,724**	**30,537**
Adur	5,825	11,591	24,133	17,748	1,206	4,041
Arun	15,743	25,335	66,225	42,766	3,105	11,715
Chichester	10,601	19,358	51,510	32,271	2,213	8,115
Worthing	10,677	18,983	40,651	32,161	2,200	6,666
B2 - East	**37,299**	**91,880**	**193,380**	**127,097**	**8,248**	**24,476**
Adur	5,825	11,591	24,133	17,748	1,206	4,041
Crawley	8,758	24,924	41,951	35,889	2,249	4,722
Horsham	11,320	26,115	63,349	35,726	2,334	7,934
Mid Sussex	11,396	29,250	63,947	37,734	2,459	7,779
B2 - West	**37,021**	**63,676**	**158,386**	**107,198**	**7,518**	**26,496**
Arun	15,743	25,335	66,225	42,766	3,105	11,715
Chichester	10,601	19,358	51,510	32,271	2,213	8,115
Worthing	10,677	18,983	40,651	32,161	2,200	6,666

9.4 Review of protected characteristics continued

9.4.1 Residents continued

Marriage and civil partnership continued

Potential negative/positive impact

At this stage it is not possible to identify specific impacts for people based in this characteristic.

9.4 Review of protected characteristics continued

9.4.2 Staff

The move towards new council teams will bring changes to staffing arrangements and working practices. Targeted analysis will be undertaken to better understand the specific impacts on identified staff groups across different service areas.

In the preparation phase the Programme Team will collate data to help with transition.

Throughout the implementation phase, continued collaboration between existing authorities will support deeper analysis across all councils. Future policies developed will aim to ensure greater consistency and cohesion in employment practices and staffing arrangements.

Establishing new unitary authorities could pose risks to the consistent and timely administration of leave entitlements, pay, and flexible working arrangements, particularly during the early stages of system integration. The alignment of the Finance/HR/Payroll system will be one of the first enabling technologies to be implemented.

The Transfer of Undertakings (Protection of Employment) process must address and reconcile policy differences to ensure fairness, legal compliance, and continuity of terms and conditions for transferring staff.

Appendix 9: Equality impact assessment continued

9.4 Review of protected characteristics continued

9.4.2 Staff continued

Summary of available data at this stage:

County	Total Employees	Female %	Ethinc Minority %	Disabled Staff %	Over 50's %	Part-Time Trend
Adur	598 (Shared with Worthing)	Not stated	Not stated	Not stated	Not stated	Flexible Working
Arun	362	60.0	Not stated	5.20	48.0	More women PT
Chichester	572	53.0	1.92	6.81	49.0	Flexible Working
Crawley	480	No stated	Not stated	Not stated	Not stated	Flexible Working
Horsham	498	48.8	4.60	7.50	50.0	More women PT
Mid Sussex	251	63.0	4.58	7.39	Not stated	Flexible Working
Worthing	598 (Shared with Adur)	Not stated	Not stated	Not stated	Not stated	More women PT
West Sussex	5,660	70.0	Not stated	Not stated	Not Stated	Flexible Working

9.4 Review of protected characteristics continued

9.4.2 Staff continued

Age

Potential negative impact

As we navigate the transition to new authority/authorities, it is essential to acknowledge and respond to the diverse concerns of employees across all age groups:

Employee concerns during transition – employees may face anxiety over health issues and uncertain access to flexible work options. They may have concerns about reduced job security and future employment prospects and worry about long-term career growth and changes to training or mentorship opportunities within new teams.

Efforts to address these concerns will be embedded into good communications planning and workforce transition planning, ensuring fair, inclusive, and transparent policies that support all staff throughout the process.

We are committed to implementing strategies to support the retention of the older workforce, valuing their expertise and ensuring they feel supported and engaged throughout.

Potential positive impact

The creation of new unitary authority/authorities presents a timely opportunity to foster stronger, more inclusive working cultures for staff supported by a dedicated change management programme. Key areas of focus include:

Intergenerational collaboration – proactive strategies can be developed to encourage meaningful engagement between staff of different age groups. Cross-age mentoring schemes, multigenerational project teams, and shared learning initiatives can help build mutual understanding and leverage diverse experience and energy.

Attractiveness to underrepresented age groups – targeted recruitment and engagement campaigns can address gaps in age diversity. Messaging that highlights career development, wellbeing initiatives, and flexible working conditions can improve appeal to both younger and older candidates.

Clarity around working conditions – clearly defined employment policies, including hybrid work options, professional development support, and health and wellbeing benefits, can significantly enhance the employee value proposition and make the new authorities more attractive to prospective staff.

Appendix 9: Equality impact assessment continued

9.4 Review of protected characteristics continued

9.4.2 Staff continued

Disability

Potential negative impact

As new unitary authorities are established, it is important to support disabled staff, who may experience additional challenges during the transition.

Changes to IT systems or staff teams could cause short delays in providing reasonable adjustments like flexible working, assistive technology or equipment. Keeping these needs a priority will help ensure continuity and support.

Uncertainty around job roles and ways of working may cause added stress, especially for those with mental health conditions or who are neurodivergent. Clear communication and inclusive planning can help reduce anxiety.

Considering accessibility and travel needs early on will help protect work-life balance and ensure everyone can continue working comfortably.

Potential positive impact

Opportunities for improved accessibility and inclusion – the transition offers a chance to design accessible physical spaces and remote work setups from the start.

It also provides an opportunity to create clearer inclusion policies, improving support for staff with non-visible disabilities or mental health conditions.

While efforts will be made to ensure consistent workplace adjustments and accessibility, specific impacts may vary across services and will require further analysis.

9.4 Review of protected characteristics continued

9.4.2 Staff continued

Gender reassignment

Potential negative impact

This is an important operational risk that should be fully considered in both HR planning and change management. As unitary authorities are formed, differences in HR policies and procedures from former councils may lead to inconsistencies. For example, the way names, pronouns, and personal details are recorded may vary, which could affect inclusivity, data accuracy, and how supported staff feel.

Access to support services like wellbeing resources, employee assistance programmes, and staff networks may also differ, creating unequal experiences. Aligning these services will help ensure all employees feel valued and supported throughout the transition.

Potential positive impact

The process of implementing and setting up of new authority/authorities presents an opportunity to improve trans inclusion through updated training, gender identity policies and facilities. This will help to reduce administrative barriers and improve day-to-day experience of transgender staff.

Pregnancy and maternity

Potential negative impact

It is important to consider the needs of employees on maternity, paternity, neonatal, or adoption leave, who may feel uncertain about the changes taking place while they are away. Changes to roles, team structures, or line managers might make it harder for these employees to stay connected, but regular communication and support can help ease concerns and maintain engagement.

Work patterns or locations may also change during the transition, which could feel unfamiliar to staff returning from leave. By planning ahead and offering clear information, returning staff can feel more confident and supported as they settle back in.

9.4 Review of protected characteristics continued

9.4.2 Staff continued

Pregnancy and maternity continued

Potential positive impact

In contrast to the risks identified earlier, the transition to more localised workforce planning also presents a valuable opportunity to strengthen employee support systems. New unitary authorities could be well-placed to:

- promote flexible working arrangements that better reflect local service needs and individual circumstances
- create more tailored return-to-work support for employees following parental leave, illness, or other absences

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Ethnicity

Potential negative/positive impact

There is a risk that anti-racism and equality work could lose momentum if structures become fragmented or are no longer prioritised during the transition. To keep progress on track, it will be important to maintain clear leadership and coordination in this area.

Ensuring inclusive and accessible communication will help everyone stay informed and supported throughout the change.

Religion or belief

Potential negative impact

As office locations change and policies evolve, there is a tangible risk that the religious needs of staff may unintentionally be disregarded. It will be important to ensure continued access to ensuring access to prayer rooms or multi-faith spaces for daily and ritual observance.

Potential positive impact

Alongside practical adjustments, there exists a meaningful opportunity to create more inclusive and responsive workspaces. As physical office spaces evolve, new unitary authorities can leverage this change.

9.4 Review of protected characteristics continued

9.4.2 Staff continued

Sex

Potential negative impact

Since women make up over half of the workforce, it is important to consider how changes during the transition could affect them.

Evidence from previous reorganisations indicates that women and individuals from minority backgrounds can be disproportionately affected, particularly in terms of access to senior roles and equitable pay. It is essential that selection processes are designed to actively promote fairness and inclusivity, ensuring equal opportunities for all.

Adjustments like reduced flexibility, office moves, or new shift patterns may have a bigger impact on female staff, especially those with caring responsibilities or who rely on adaptable working conditions.

By keeping flexibility and inclusion in focus, the transition can better support all staff better and help avoid unintended disadvantages.

Potential positive impact

As the new unitary authority/authorities take shape, there is a timely opportunity to address gender imbalances in leadership, management, and technical fields.

Strategic planning during local government reorganisation could enable targeted recruitment strategies to attract women into senior and specialised roles, established talent pipelines, mentorship schemes, and sponsorship programmes as well as inclusive leadership development.

Sexual orientation

Potential negative impact

As the organisation transitions to a new structure, some staff may feel apprehensive about being open about their identity in unfamiliar teams, particularly if they are unsure how inclusive or supportive the new environment will be. This change also carries the risk of disrupting established LGBTQ+ networks and separating staff from trusted allies, potentially impacting morale, community connection, and psychological safety.

Appendix 9: Equality impact assessment continued

9.4 Review of protected characteristics continued

9.4.2 Staff continued

Sexual orientation continued

Potential positive impact

There is an opportunity to make improvements to sexual orientation training and awareness raising activities to promote inclusivity.

Marriage and civil partnership

Potential negative/positive impacts

Although there is no published specific data on the marital or civil partnership status of its staff, there is no indication that their demographic profile would differ significantly from similar local authorities.

In summary

By proactively shaping equitable structures, unitary authorities can lead the way in building a workplace culture that values diverse leadership and closes representation gaps across departments.

Appendix 10: IT reorganisation

Purpose

Technology related change is likely to be the biggest cost and opportunity in the creation of new unitary authority/authorities. The councils collectively have some strong ICT assets that can be rationalised and built on, whilst recognising the significant complexity inherent within such programmes.

This appendix outlines the technology and digital implications of creating one or more new unitary authorities. It reflects the scale of opportunity to modernise, rationalise and transform digital infrastructure and systems, while also recognising the cost, complexity, and critical path dependencies involved.

Strategic opportunity

The formation of new unitary governance arrangements presents a rare opportunity to rethink the role of technology and data in service delivery. Unlike standard ICT change programmes, this transformation can be designed around a new organisational vision, rather than being constrained by legacy structures. In the case of district and borough services it allows scaled solutions to be explored in ways that previously individual budgets would not allow.

Benefits include:

- digitally enabled, customer-centric service models
- consolidated and scalable technology infrastructure
- more integrated data for decision-making and insight
- better cyber resilience and governance
- rationalisation of legacy systems and contracts

Realising these benefits requires both upfront investment and clear digital leadership.

Phased approach to change

The change will take time to plan and implement. Given the need to manage this change alongside business as usual it is likely that digital transformation will follow a two-phase approach:

Phase 1: Stabilisation and adoption

- adopt best-in-class systems from existing councils to ensure continuity
- rationalise licensing, consolidate contracts, and enable dual-running where necessary
- focus on critical systems for Day 1 (e.g. finance, HR/payroll, revenues & benefits)

Appendix 10: IT reorganisation continued

Phased approach to change continued

Phase 2: Strategic transformation

- design and implement a new digital strategy aligned with the future operating model
- rationalise systems (for example, single ERP or CRM) and shift to cloud infrastructure
- embed digital-first service design and resident access
- use data to drive performance and targeted interventions
- leverage AI, automation, and self-service platforms
- enhance digital inclusion while supporting non-digital access where necessary

Programme and delivery considerations

Delivering this transformation at pace will require:

- a dedicated technology and digital workstream within the LGR programme
- interim leadership capacity to manage transition and strategic design
- governance aligned to broader transition programme oversight
- engagement across all services to coordinate dependencies and sequencing

In a two-unitary model, additional arrangements will be needed for shared systems, potential disaggregation, and joint governance of any interim shared services.

Transition risks and mitigations

Risk	Summary	Mitigation
Short-term fixes become long-term defaults	Adopting current systems becomes entrenched, limiting transformation	Establish digital roadmap and sunset dates for legacy platforms
Dual-running costs	Maintaining legacy systems inflates costs	Plan staged retirement and consolidation strategy
Integration complexity	Interim interfaces (for example, to Oracle Fusion) are costly and require rework	Early sequencing plan and use of modular integration patterns
Capacity constraints	Skills gaps in project delivery and digital change	Resource plan and external support for key roles (BA, PM, tech specialists)
Market demand drives up costs	With many councils undertaking change at the same time it is likely that skills will come at a premium	Ensure appropriate contingency in financial model. Develop internal skills where possible.
Disaggregation challenges	Oracle Fusion, social care and education systems complex to separate	Shared service or lead authority approach in short term

Appendix 10: IT reorganisation continued

Key cost drivers

Several material cost pressures are expected:

- dual licensing and hosting for legacy systems during transition
- interface development and system integration
- procurement and configuration of new systems (where required)
- specialist delivery capacity: ICT, project delivery, technical architecture, data
- infrastructure investment: unified networks, security, cloud hosting
- shared service delivery costs or disaggregation overheads (especially in a two-unitary model)

Cost estimates are detailed in the financial case and will be refined through transition planning.

Technical dependencies

Many systems are interdependent. For example:

- finance systems underpin payroll, procurement, and revenues & benefits
- Council Tax systems need to interface with finance platforms for billing
- electoral systems are critical for initial governance transition
- social care, education, and children's services require careful separation in any two-unitary model
- data privacy and integration requirements (such as. GDPR compliance, master data management) must be addressed from the outset

A comprehensive dependency map will be developed as part of the programme's digital planning.

Conclusion

The scale of digital transformation required to support new unitary arrangements is significant, so too is the opportunity. Transition presents a platform to modernise at scale, unlock efficiencies, and deliver genuinely digital-first services. However, this will require early investment, dedicated capacity, and strong governance to avoid short-term decisions undermining long-term ambitions. This transformation must be seen not as a bolt-on ICT project but as a core enabler of the new authority's strategic, operational and financial success.

Appendix 11: Summary of source information

Government guidance:

English Devolution and Community Empowerment Bill: Guidance 10 July 2025
English Devolution White Paper 16 December 2024
Letter: West Sussex 6 February 2025
West Sussex LGR Interim Submission 21 March 2025

Demographic data:

Population
2023 Mid-year Estimates, Office for National Statistics

Population change
Population Estimates 2013-2023, Office for National Statistics

Population projections
Projections for Single Years 2023-2043, Office for National Statistics

Births and deaths
Office for National Statistics, 2024

Household composition
Census 2021, Office for National Statistics

Economic data:

Deprivation
English Indices of Deprivation, 2019

Gross value added (GVA)
2024 Economic Data, Office for National Statistics

Unemployment benefit claimants
Universal Credit Data 2024, Department for Work and Pensions

Economic activity rate
2024 Economic Data, Office for National Statistics
Defining the HMA and FEMA – GL Hearn report

Finance:

Local authority revenue expenditure and financing
Worthing council report - Feb 2025

Appendix 11: Summary of source information continued

Other:

Unpaid carers
Census 2021, Office for National Statistics

Protected characteristics
Census 2021, Office for National Statistics

Stakeholder engagement
Appendix 3

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