

Dear Chancellor,

I am writing to express my concern about the growing financial pressures facing local government and the impact that national policy decisions are having on the sustainability of local public service provision in West Sussex.

West Sussex County Council has a strong record of effective financial management. Over many years, the Council has delivered savings, transformed services and taken difficult decisions to manage financial pressures within its own resources. West Sussex continues to manage its financial position within its own resources, despite budget pressures of approximately £24 million in 2026/27.

However, there are now a number of costs arising directly from national funding decisions and statutory responsibilities that cannot reasonably be addressed through local efficiencies alone.

SEND funding and Dedicated Schools Grant deficits

The most significant of these pressures relates to SEND funding.

West Sussex's Dedicated Schools Grant deficit is projected to reach approximately £500 million by March 2028. The Government has confirmed its intention to address 90% of local authority SEND deficits. However, under current arrangements, West Sussex residents would remain responsible for approximately £50 million of costs. In addition, the accumulated deficit is estimated to reduce treasury investment income by £9.3 million in 2026/27, placing further pressure on a stretched budget.

The Council welcomes the Government's commitment to fund 90% of deficits. However, if these deficits are recognised as the consequence of national policy change and a national funding system that has failed to keep pace with demand, it is difficult to justify leaving local taxpayers responsible for the remaining liability.

Unaccompanied asylum-seeking children

West Sussex County Council is facing exceptional pressures arising from national policy.

West Sussex occupies a unique position in the South East as the host authority for both Brook House Immigration Removal Centre and Tinsley House Immigration Removal Centre. As a consequence, the Council experiences levels of demand that differ significantly from many other authorities and is required to undertake safeguarding, assessment and accommodation responsibilities arising from the operation of this national infrastructure. The number of unaccompanied asylum-seeking children supported by the Council increased from 84 in May 2025 to 139 in September 2026, representing growth of more than 65% in sixteen months.

Current funding arrangements leave the Council facing an estimated spending shortfall of approximately £5.1 million in 2026/27. The Council's evidence shows that demand has outstripped both resources and grant funding, creating a significant, unexpected financial pressure.

These are national responsibilities. The costs of supporting children who enter local authority care as a consequence of national arrangements should be fully funded by Government and should not fall disproportionately on West Sussex residents.

Fair Funding and redistribution

As a result of Fair Funding 2.0 West Sussex County Council is also facing a reduction of approximately £30 million in government funding over the three-year settlement period. At the same time, changes to council tax equalisation increase redistribution from West Sussex taxpayers to other areas, while growth in local government funding increasingly relies on council tax assumptions rather than grant funding. This reduces the funding available to support local services in West Sussex despite continued growth in demand.

Our request

We therefore ask the Government to:

1. Remove the residual SEND deficit liability that remains with local authorities following the Government's 90% contribution and address the ongoing treasury impacts created by historic deficits.
2. Fully fund the costs arising from national policy and establish arrangements that recognise the exceptional pressures on authorities hosting Immigration Removal Centres.
3. Provide mitigation for authorities experiencing significant funding reductions through Fair Funding and council tax equalisation changes.

West Sussex County Council remains committed to sound financial management and to delivering value for money for residents. However, there is a growing risk that well-managed authorities are required to absorb the consequences of national policy decisions that are beyond their control. Without action, local taxpayers will increasingly bear the cost of pressures that arise from national funding and policy choices rather than local decisions.

I would welcome the opportunity to meet with you to discuss these matters in detail.

Given the significance of these issues for West Sussex residents and local public services, I am copying this letter to the Secretary of State for Housing, Communities and Local Government and to all West Sussex Members of Parliament.

Yours sincerely,