

## Local Government Finances and Structure

Local government within Hastings is a two-tier system. It holds some services at a county level, with others held at a borough level. The upper-tier council, East Sussex County Council (ESCC), holds powers for economic development, adult social care, children's services, adoption and fostering services, looking after children in care, transport and public health. The council is also responsible for some education services, like early-year learning provision, school transport, classroom repairs and attendance improvement services[1]. The lower-tier council is Hastings Borough Council (HBC). Instead, it is responsible for planning, housing benefits, temporary accommodation placements, facilitating new social house building projects, street cleaning, licensing, inspecting food premises, noise complaints, refuse collection and collecting council tax. It also provides election services for borough, county and national votes[2]. This system is different to other parts of the country that have a unitary or city council system, where all these services are combined

under one authority. For example, this is the case in Brighton with Brighton and Hove City Council.

The county council, as it is comprised today, was created under the 1972 local government reform act. Initially, as local government was implemented for an industrialising society that saw the expansion of many towns, it was considered impractical for county-wide services to be delivered in large towns. To deal with this issue, many county boroughs were created so large towns could autonomously run county council services at a borough (local) level as they industrialised[3]. As more towns emerged as the population expanded, an ever greater number of councils were formed. As local government had a great deal of power and resources, no one questioned its expansion. But, over time, this increased the financial cost of running local government and complicated administering local services. Consequently, in the late 1960s, a review of the structure of local government came to a consensus that local government was not value-for-money, had become too complex and far too many authorities existed. Both the Labour and Conservative parties accepted the recommendations to reform local government and reduce the number of councils, particularly in rural areas.

The 1972 Local Government Act was formed from this consensus, and the act saw the number of local authorities reduced from 1,245 to 412[4]. This was done by creating larger county council authorities. This saw Sussex County lose the Mid Sussex region to the newly formed West Sussex County Council but gain county council status for all of East Sussex. The act kept some local councils as a compromise to gain wider political support and to ensure the effective delivery

of more basic services. This was done by converting county boroughs into lower-tier councils[5]. This system became known as the two-tier system. In East Sussex, the lower tiers were Hastings, Rother, Wealden, Eastbourne and Lewes.



*Figure 1.1: This map shows the old County Council system. The County Council delivered most upper-level services across the whole of Sussex. In East Sussex, the county council delivered these services mainly to rural areas, whilst larger towns had sole authority over these services within their defined administrative borders.*

In Hastings, the local Labour Party was opposed to its implementation as they argued that it would reduce the amount of control local representatives would have over local service delivery[6]. This would occur because borough councillors would not have control over many local services, as they would be handled by another council, which would neglect Hastings due to it not always agreeing politically. This was argued because at the time, the county leaned heavily conservative. They also asserted it would leave Hastings Borough Council with limited finances due to it being a

poorer town with limited service delivery. Therefore, the borough council would have a limited local income, meaning it would not be able to transfer as much money to the county council system as other wealthier areas[7]. This would make Hastings less valuable and result in the locality being less considered than other areas on a range of service matters. Yet, proponents of this dual system argued that it would provide the best of both worlds. They argued it would provide a wider scope to deliver infrastructure projects that could connect the county more efficiently, whilst also allowing more basic services to be effectively delivered at a local level. It could also be argued that it would allow the sharing of services across borough borders, such as social care services, thus delivering more efficient services and effective returns. At the same time, it would also keep other services at a very local level, like street cleaning, where local people can best communicate needs and direct service delivery. Yet, as shall repeatedly be argued and supported by examples, the proponent's assumptions were wrong. These wrong assumptions have led to many problems in local government and do not enable localities to control many important policy matters.

#### **Problem 1: Less efficiency.**

The proponents of the dual system primarily argued that authorities would work alongside each other, with cooperation delivering better outcomes across the county and at a local level. Yet, as we shall see, it often does not and frequently results in a less efficient service. To briefly illustrate this, imagine a scenario where a blocked drain is reported to the county council. The council comes to clear the blocked

drain, but because the leaves are on top of the drain, they determine that it is a borough council matter, and the job is not completed. If the leaves were below the drain, it would have been a County Council matter, and they would have dealt with the blockage. Before leaving, they find someone has fly-tipped on the other side of the road. Here, the county council would take no responsibility for the clearing of the rubbish. Indeed, those working for the county council would likely not have any mechanism to report the fly-tipping to another worker, as street cleaning services would operate under Hastings Borough Council systems. This would then mean that someone in the area would have to report the problem to a different council that uses a different website and reporting system. This increases the time burden on residents and means the problem likely takes longer to address. Whilst, in theory, such scenarios might sound ridiculous, some very important case studies highlight how this dual system produces less efficient services and worse outcomes. Indeed, the scale of cases would indicate that this problem occurs quite often and in many different service areas.

Example - Administrative delays.

In September 2024, it was announced that the winter fuel allowance was to be means-tested. Those who lost out from this change were encouraged to apply for the government's new household support fund. This fund is designed to support those on lower incomes with energy bills and food costs. Despite this money being released in September, people in Hastings were not able to apply for this money for a period of two months due to the payment system not having been

fully implemented. The main reason for this lengthy delay was the borough council having to wait for the county council to forward the payment[8]. This delay was furthered when some money was not coded to the correct financial account, meaning the borough council had not realised the payment had been sent. When this error was realised, the borough council then had to go and find the money in its accounting system[9]. These resulted in much-needed support funds not being available to the residents of Hastings for an additional two months. This delay occurred at a time when the country gets colder as the winter nights draw in, meaning hardship caused by increased energy payments went needlessly unaddressed.

Further, during this delay, the borough council was not informed by the county council on how much money it would receive out of the pot that it had been allocated by central government. Due to this information delay, this also meant the council did not know how many applications it would be able to accept, making it delay the promotion of the fund as they wanted to ensure they did not approve more applications than they could support[10]. After the council received the money, it did promote the funds. However, this left the council with less time to promote these funds and inform the public on how they could apply, possibly resulting in a lower uptake. Again, these delays caused people eligible for these funds to needlessly experience hardship for longer at a time when the funds were most needed.

Finally, this case highlights the increased inefficiency and financial burden caused by another layer of administration. The more administrators you have delivering services across different authorities, the more it costs to administer op-

erations, and the greater the chance that delays will occur because of different officers not cooperating. This leaves residents with two councils that have fewer resources and are less able to effectively deliver services than otherwise would be the case if they had a unitary authority.

### Problem 2: A lack of coordinated action.

Many of the problems discussed throughout this book require multiple agencies to work together for them to be fully addressed. Yet, with local government being split between two authorities, this coordination often does not happen. This makes it much harder for complex problems to be addressed. For instance, economic development, housing, problems around homelessness, issues created by poverty and education and training services often need to work together to be most effective. Yet, these services are split between HBC and ESCC, with HBC being responsible for benefits, homelessness and housing services, and ESCC having authority over economic development, transport and education and training services. This leaves Hastings Borough Council unable to take a joined-up approach to many problems it encounters.

### Examples:

In terms of improving transport, HBC has no power to build new cycle paths or apply for funding. Therefore, local campaigners have found that their efforts to design new cycle paths and lobby HBC would not lead to any meaningful action[11]. Consequently, efforts to build a more connected transport system have not come to anything. Additionally,

HBC has been powerless to stop cuts and make alterations to bus services[12]. This means that the housing HBC has approved has become isolated from other parts of the town for people who do not drive. This means that the problem of isolated people being less able to access economic opportunities and public services goes unaddressed. This isolation can make economic regeneration harder as it limits money that can be spent in economic centres, making investing in Hastings a less attractive prospect. This lack of investment lowers economic output and job opportunities, again making it harder for those isolated to access economic opportunities. A unitary authority that would have control over both transport and housing could tackle such problems more effectively by having a management structure that would be able to coordinate action between the two departments.

Currently, a large project is being planned by ESCC to regenerate the Hastings town centre by greening the area. This will involve planting trees, improving flooding absorption, building plant boxes and increasing the number of outdoor seating areas[13]. Yet, as these plans were drawn up without the involvement of HBC, this means that the town's local needs have not been considered as much as they could have been. For example, not making the main road one-way has limited potential to improve pedestrian and cycling access to the train station[14]. Also, plans have not been made on how empty units above empty shops can be converted into much-needed housing. A unitary authority that has control over both housing and economic regeneration would be better able to coordinate plans to target both regeneration and housing needs. It would also have an incentive to work with affected residents and elected representatives, as it would

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need approval from both to access funding and planning permission.

The council is also facing a growing homelessness problem, with it facing the prospect of paying out more money for benefits due to an increase in economic inactivity[15]. To save money, the council does have an interest in getting people off benefits and back into work. Yet, this often requires more than one agency to provide support, such as training services, officers to connect employers with potential workers and health services. Yet, HBC cannot connect these services, meaning such opportunities to address these problems are lost. Instead, homelessness services are carried out as best they can be by the borough, but it is not a problem that the council has ever managed to fully address. This is also the case with crime, with HBC being unable to link with probation services to provide better education and training programmes, missing an opportunity to reduce reoffending. Consequently, a limited number of training programmes are carried out in Hastings, meaning problems around a lack of skills in the town are not fully addressed. Again, this coordination of services to better address these complex problems could be more effectively delivered by a unitary authority, where all services would fall under one management and political structure.

### **Problem 3: A confusing structure and competing mandates.**

Borough councillors have often complained that the borough council often acquires responsibilities that should be dealt with at the county level. Oppositely, county councillors feel the borough council is trying to shift their responsibilities onto ESCC[16]. Indeed, much casework at the borough level has to be passed onto ESCC as borough councillors don't have authority over many issues they are frequently asked to deal with. This illustrates two key problems with the two-tier system. Firstly, it is not always clear even to those who work within the system which authority is responsible for a given policy area. Indeed, councillors at a borough level often make speeches and pass motions at full council that are on issues that the local council have no authority over. Therefore, even those experienced in seeking representation for the borough and county council find it hard to communicate to voters which council is responsible for a particular service[17]. Consequently, voters can often be confused about what issues they are voting on at different points in the electoral cycle.

Secondly, this blurring of service provision can often lead to one council shifting work onto the other, leading to less efficient and cost-effective service delivery. It can also make some councillors feel powerless. For instance, when a councillor is given casework relating to a road in poor condition, they often contact the county council only to find they have no influence[18]. Further, County Councillors acquire casework relating to transport, such as damage to bus shelters, only to find out that it is the borough council that has to deal with this. As these councillors have no authority

over the different-tier council, they often find it hard to gain a satisfactory response from officers, if they get one at all. It can also be frustrating for MPs[19]. For example, the MP for Hastings & Rye often has to deal with people at county hall in Lewes for issues affecting their constituency. This means the council officers they deal with are often far away and do not always work closely with the area they represent. Indeed, MPs can find that different councils shift responsibility onto each other. This can reduce the effectiveness of the response they secure, making it harder for them to adequately represent their constituents. A recent example of this is where the MP for Hastings and Rye reported that she failed to secure an adequate response over completing a road designed to ease congestion[20].

Finally, these tensions can produce competing mandates. County Councillors can be elected on different policy pledges to those of borough councillors who represent the same residents. For every £1 collected in council tax, 73p is collected by the county council, and county councillors direct how this is spent. Borough councillors decide how 12p in every pound is spent[21]. For every county councillor, there are 4 borough councillors. This means that it is quite common for a county councillor to support one policy only for it to be undermined or stopped by borough councillors. Therefore, four councillors who are responsible for 12p in every pound of council tax can stop one councillor who is responsible for 73p in every pound of council tax. Indeed, both sets of councillors have their own mandate, and when borough councillors get a say over a decision affecting their local area, they can often prevent the county council from acting.

### Example Transport investment:

Two years ago, the county council had supported and approved cycle lane investment in Hastings. Yet, the first project, a cycle lane through Alexandra Park, was narrowly refused by the borough council[22]. As the two councils could not work together, Hastings lost the chance to improve cycling connectivity in the town. Here, the County Council Transport Authority spent time and money on consultants, transport officers and contractors for reports and designs, but because of competing mandates, they were not able to build anything.

Since 2017, and the county council's democratically approved LCWIP (Local Cycling and Walking Infrastructure Plan), several projects have been lost due to borough opposition. This plan would build a greenway through Hastings, building a viable and safer cycling route through key parts of the town. For example, ready-to-build designs for the Alexandra Park and Silverhill to Crowhurst Road sections of the greenway were taken back by ESCC to be spent elsewhere due to borough opposition[23]. This lost the town £800k of investment. The next part of the route was also abandoned. This involved building a greenway route north from Alexandra Park to the Hospital and a route south from Alexandra Park. Further, plans for a Barley Lane to Bale House cycle path were shelved because of borough opposition[24].

There is also another investment the county council has prepared that could be voted down in the near future. ESCC has embarked on a project to improve the Hastings Town Centre. Again, they have contracted out these projects to the tune of £10.8m[25]. Here, detailed plans have been developed,

but the residents in Hastings were not consulted. Recently, at short notice, a public consultation was run. ESCC stated the responses largely favoured the designs as laid out, and little was changed[26]. This has put forward plans that will be resisted by local representatives. Such decisions include allowing Stagecoach to continue to drive through the town centre, thus depriving Hastings of its much-needed new, green, sociable, retail and flood-absorbing space. It will also pursue installing trees and greenery that will require maintenance costs by the borough council, something that will be resisted due to the local council's terrible finances[27]. Again, we can see how the two councils not working together and competing mandates will likely result in investment being resisted (and possibly even rejected). This would be a waste of council time and money, something that cannot be afforded in this tough economic climate.

#### **Problem 4: Bad election cycles and increased political instability.**

It also creates another problem. The political problem of a constant cycle of elections. Due to the two-tier nature, both councils can decide to hold their elections on separate dates and can even opt to run different election cycles. HBC and ESCC do both. They decided to have different cycles and hold their elections on different years, with HBC having half the council elected biannually and the county council electing every councillor once every 4 years. Because of this system, since 2011, there has been an election almost every year, see the note below.

Note of elections since 2011: In 2012 – borough, 2013 – county council, 2014 – borough, 2015 a general election, 2016 – borough & a referendum. 2017 – county council and a general election, 2018 – borough council, 2019 – a general election. 2020 – borough election (held in 2021 due to COVID-19), 2021 – county council. 2022 – borough election, 2023 – no election, 2024 a borough and general election held within a couple of months of each other. This means there were 13 votes held in 11 years (12 if you discount the non-party political EU referendum vote).

This constant cycle of elections is not good for anyone for several reasons. Firstly, it is not financially good for the council as it costs a great deal of council resources to hold elections so frequently. Indeed, one year of holding no elections would save the council £75,000[28].

Secondly, it does not suit political parties as it does not give them time to focus on their policy agenda. Local parties often start preparation for a local election 6 to 7 months in advance[29]. The reason for this is that they need to select candidates, formulate an election strategy and decide on campaigning issues. Therefore, as one election ends, local parties only get a breather of 4 to 5 months before they go back onto an election footing. Consequently, there is little time for parties to consider policy formation and what they would like to push for if they win office. This leads to less getting done than otherwise would be the case.

Thirdly, this constant election cycle puts financial strain on local parties. Local parties do not have access to the great sums of money national parties can secure, and this can make local parties very reliant on a small number of larger

donors[30]. This gives a small number of people a large influence over local parties, possibly making these people's opinions very powerful. It may even make corruption more likely. For example, it could make public funding more likely to go to particular projects or individuals.

Fourthly, it does not encourage political parties to work together. With such a short time until the next election, this intensifies political competition. This intensity causes parties to fear working with each other, as they do not want their opponents to be able to claim credit for successes so close to an election. Those who lose out can see there is not much time until the next election, so rather than working with the largest party, they start planning how to win the next election. This posturing and game-playing limit what cross-party work can be achieved, again resulting in poorer outcomes for the town.

Finally, the constant cycle of elections takes its toll on the voters and party activists[31]. Voters are left confused as to why they are being asked to vote every year, and can get confused between the different layers of government. Party activists experience frequent high workloads, leading some to become less involved due to the sheer amount of time it takes out of their lives. None of this is good for democracy, and pursuing such a complex regular cycle of elections is in no one's interests.

Example: HBC elections 2024.

The HBC elections in 2024 had all these negative characteristics. Leading up to the elections, in December 2023, almost the entire cabinet formed a new political party, dubbed the 'Hastings independents'. This left a political vacuum

at HBC at a point where the council was facing a financial crisis, as no party now had a majority to pass the budget in February[32]. Despite the last election having taken place 18 months previously, the next local elections were only 6 months away. This meant that all parties were unwilling to work with each other as they were in partisan election mode. In the end, the Greens worked with the Hastings Independents[33], but due to the constant cycle of elections, this agreement did not last. Whilst the Greens won the 2024 elections, the Greens did not gain a majority due to only half the council being elected. However, they did become the largest party after the election and chose not to continue their working arrangement with the Hastings Independents[34]. This may have been partly due to the independents' negative image and the Greens' belief they could take control of the council in two years. Also, with the county council elections only a year away, they may have also not wanted to damage their favourable local brand by doing a deal with councillors who appeared irresponsible. This again has left HBC without a clear majority at a financially precarious time. If division within the relatively small Green group emerges, they may find it hard to pass their budget. This again brings uncertainty at a time when clarity is needed. With the constant cycle of elections continuing, political posturing at the time of the budget is likely, and this may accidentally lead to a budget or another important piece of council work not being passed.

**Problem 5: The tax problem – deprived towns are served poorly and overlooked.**

Upon the dual system being implemented, some argue that poorer towns, like Hastings, would be worse off under the dual system. It was argued that poorer towns would generate less money due to their limited council tax base. With such boroughs having a low income, they would not be able to transfer as much money to their county council as other wealthier areas and would be less able to invest in their own local services. This would mean that poorer town borough council services would tend to be less effective than compared to other wealthier areas in the country, leaving poorer towns overlooked as they would not be deemed as valuable as other areas in the county. With the benefit of hindsight, over time, it is becoming clearer that this argument was accurate.

**Example – East Sussex:**

This year, HBC's tax rise of 2.99% raised an additional £305,724, a total of £7.9m[35]. The same taxation increase in Eastbourne raised £400,000, a total of £9.9m[36]. Wealden's increase generated £968,000, a total of £22m[37]. Rother's same increase raised £325,000, a total of £8.3m[38], and Lewes Council raised an additional £410,000, a total of £8.7m[39]. Hastings is clearly the poorest council within East Sussex under the current structure, and with each council tax rise, it falls further behind other authorities. The core reason for this is because of Hastings being rated as a poorer town, meaning it has more properties in the lower tax band, thus giving the council lower tax receipts.

This low tax base can help to explain why the services within Hastings feel of lower quality than in the rest of East Sussex. The smaller revenue that can be generated means there is less money to pay for better quality provision. For example, the current refuse collection contract is often criticised as not being of the best quality, yet the current service provision exists largely because Hastings can't afford a better one. Eastbourne and Lewes have been able to afford a better refuse system by merging services, enabling them to combine resources and attract better deals from providers[40]. Yet, Hastings on its own can't generate such revenue, again showing the current system stops Hastings from having the revenue needed to provide better quality services. Historically, this downside has not been so problematic due to central government grants providing a sufficient income for the council to be able to afford a good level of staff and service provision. Yet, since 2010, grants have been steadily cut. From 2010 to 2022, the council has lost over £5m in settlement funding, and it has lost £15m in government grants, meaning it has been forced to employ 192 fewer full-time staff[41]. This means that HBC's spending has been slashed by 42% whilst demands on services have increased[42]. Therefore, HBC no longer has the staff needed to deliver services as effectively, which can help to explain why some residents feel that the council has experienced a steady decline in quality. It also means that HBC is now heavily reliant on how much it can raise in council tax. Due to rising housing and benefit support costs (such as 400 more people requiring temporary accommodation – something that has cost the council £5m more a year in housing costs[43]), HBC's council tax base is no longer sufficient to cover its expenditure. This month, HBC stated

that its projected spend was £1.8m over budget, and with another financial quarter to go before the net budget is agreed, this overspend could continue to rise[44]. As HBC has a legal obligation to pay benefits to those who meet the threshold for support and can only raise a limited amount in council tax, the council finds itself unable to free itself from its financial stranglehold.

Eastbourne Council, the second poorest borough in terms of its tax base, also finds itself in a similar position. Eastbourne is now seeking to save £3m in its budget to try to maintain growing housing costs[45]. Whilst Eastbourne's overspend is not as great as HBC's, this does show that borough councils with the lowest tax bases are struggling to maintain essential spending costs. Vitally, this raises the question of whether poorer low-tier authorities are financially viable given the current economic climate. If they are not, then merging into unitary authorities may not just provide more effective service delivery, but it may also be a financial necessity.

The prediction that Hastings would be overlooked and would receive worse services from the county council also appears to be accurate. Compared to the rest of the county, there are more potholes per person and fewer of these potholes are repaired on time[46]. On average, fewer pavement defects are repaired on time and fewer blocked drains are cleared within the target of 28 days[47].

Therefore, as Hastings is poorer and appears to be overlooked, having a unitary system that operates closer to Hastings and could direct greater resources towards the town would be in everyone's interest. It may also help reduce the number of staff needed to run services, meaning that more

effective delivery could occur despite the smaller workforces local authorities have post-austerity. Additionally, reforming local government could provide an excellent opportunity to reform the way it is funded. Think tanks have identified that progressive council tax reforms could save the poorest two-thirds of all households £500[48] on their yearly council tax bill while potentially generating much-needed revenue for authorities across the UK[49]. Therefore, reforming the structure and funding of local government could help fund housing support and social care services (the biggest burdens on local government) while providing relief for those most affected by the cost-of-living crisis.

#### Problem 6: An Authority that is too big?

Another aspect to consider is the sheer size of the authority. The current population of the county council area is over 450,000 people. In comparison, nearby Brighton and Hove City Council only has 270,000 people, roughly half the size[50]. Further, the County Council sprawls. This is mainly because large rural areas are situated between the urban towns. This means that services must be delivered across large distances, negatively impacting council efficiency and service delivery.

This is because people who work for the upper tier are required to commute across the county to deliver services. For instance, those delivering social care services often have to travel across long distances to reach service users. Travelling from Lewes, where many people are stationed, can take well over an hour. This eats into working time and erodes staff resources that can be used to improve service delivery. Due

to cuts, local offices that allow people to work flexibly are becoming much less common, meaning the problem of travel time has grown. Often, people who live in one part of the county have to travel across the county to work. For instance, people who live in Hastings often commute to Lewes to deliver services, whilst the majority of council workers who live in and around Lewes often have to travel to Hastings and Bexhill. This distance simply decreases efficiency. Also, as Hastings is on the edge of the county and a 1-hour commute away from the county council, the feeling that it gets ignored in decision-making is strong. Indeed, there is an assumption that the roads and transport services perform better in Lewes and the nearby villages, as the people making decisions at county hall more often live in these areas. This causes decisions to be naturally more focused on these areas, especially as the Conservative Party's political control tends to come from more rural areas in the county. Indeed, this can cause campaigners in neglected areas to feel that their voice does not matter, leading to those who can help improve the policy-making process to stop engaging with the local democratic system. This leads to less effective policy-making and less efficient services for many in the county.

Yet, many of these services can be implemented closer to all residents by merging the 5 boroughs into two unitary authorities. This could help improve service delivery by reducing the time workers spend travelling. Additionally, in some services, many workers are assigned specific areas of the county to look after, meaning that service delivery is already split across the county. This means assigning staff to new, smaller unitary authorities (created by merging borough

councils) would be very viable, as it has already been partially done by the county council.

How realistic is it to create smaller unitary authorities?

It is possible to create unitary systems across East Sussex, as it has already been partly done. In Brighton and Hove, local representatives decided to merge their authorities into a city council. In 1997, Brighton Borough and Hove Borough Council merged. With Labour in control locally and the new national Labour government favouring devolution, in 2001, the unitary authority was granted city status and gained full powers from East Sussex County Council[51]. Indeed, within this short period, it managed to separate even specialist services (such as those within child and adult health and social care services). This shows that a unitary authority with a full range of services can be created in a four-year political cycle, provided there is the political will to achieve it. As Brighton was rapidly growing its population and economy, many in the area felt that it had sufficient resources to be able to sustain and deliver services. Further, there was a feeling that East Sussex County Council was ignoring their needs as they were stuck in the far west of the county and were no longer politically aligned with the Conservative-controlled authority. This sounds familiar to the scenario Hastings has long found itself in.

Yet, the key difference has been political timing and population. Firstly, the population of Hastings is relatively small compared to Brighton. Hastings only has a population of 90,000 people, with Brighton and Hove containing 275,000

people, roughly three times bigger[52]. This means that Hastings is forced to merge with other councils to be able to provide all services. Yet, as Labour warned back in the 1970s, this has led to a deprived area being merged with other authorities that possess significantly more resources. Worse, it feels critics were right when they said it would leave Hastings isolated and neglected. Secondly, there has long been a timing problem. Hastings could merge with Rother and Eastbourne councils, see Figure 1.2. This would give it a population of 290,000[53], similar to the size of Brighton City Council. Yet, there has never been a time when this has been politically possible. This is mostly due to Labour and the Conservatives being unwilling to serve on a council where neither could gain control. The idea of Labour and the Conservatives having to constantly work together historically would have been too difficult for any political leader to sell. Therefore, the political consensus that existed between Brighton and the national Labour government has never existed in Hastings & Rother. However, since the 1990s, Labour, independents, the Greens, and the Liberal Democrats have all made gains in traditional Tory areas, making coalitions potentially much more feasible. With a new Labour government needing to save money and favouring devolution, it could be the right time to reform local government and create new unitary authorities.

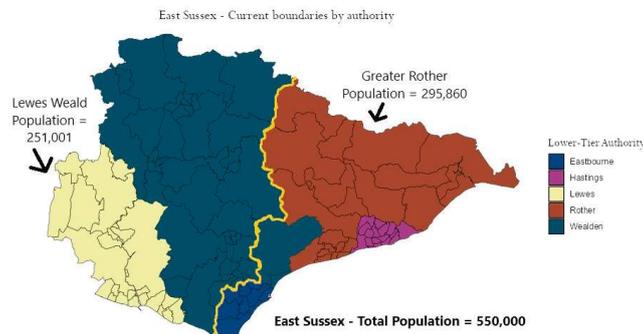
The idea of combining councils may seem extreme, but many councils are already merging services due to financial necessities. Within East Sussex, Lewes District and Eastbourne borough councils started to merge their services 8 years ago. As these councils both needed to save money during the era of austerity and were represented by Lib-Dem councillors,

this service merger happened naturally and successfully. This merger has reduced staffing costs and increased efficiency to prevent these councils from bankruptcy and further cuts. In total, this merger was estimated to save £2.7m, bigger than HBC's current overspend[54]. Hastings Borough Council is now facing the same financial problem and is seeking to merge services with Rother District Council to save money. For example, the 2024 budget estimated it could save £965,000 in the financial year of 2026/27 by merging waste services, half of the council's current overspend[55].

Yet, the key difference is the lack of political stability, which was never a problem in Eastbourne and Lewes. In December 2023, shortly after the first draft of the budget was passed, half the Labour councillors resigned and called themselves '*The Hastings Independents*'. This caused great political instability as they no longer had a majority, and the budget was cast into doubt. This delayed the merging of services, costing HBC hundreds of thousands of pounds[56]. This also gave the impression to Rother District Council that HBC was politically unstable, disincentivising a full merging of services. Yet, what these events did show is that merging council services can be done, provided the political will is there. Indeed, HBC currently shares a CEO with Eastbourne[57]. Consequently, if councils can merge services, they should seek to merge fully and become unitary authorities. These merged borough authorities would retain their current powers but would also gain control over county council responsibilities. Through merging services, greater control would be achieved. It would also help to make service delivery more efficient and make much-needed savings. Additionally, if services are being shared, it is only democratic

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that both areas have an equal say on how they are run, funded and delivered. This can most effectively be done by having one unitary council where all councillors are elected to one authority that has sole control over all local services.



*Figure 1.2: A proposed unitary system for East Sussex councils. The Yellow line divides East Sussex into two. One is created from Lewes and Wealden. The other is created by merging Hastings, Rother and Eastbourne councils.*

Why it would be good for these powers to return to Hastings.

As future chapters will show, these powers must be returned closer to Hastings, as there are many policy areas the town does not have control over but desperately needs to improve. Education services, transport, and infrastructure development must be improved for the regeneration of the town, but these powers are held at the county council level. For

nearly 30 years, Hastings has not returned many county councillors who represent the majority party on the council, the Conservatives. This means that the town has been locked out of political office for decades, with it having little influence over service delivery decisions and where investments are made.

This has led many to feel the county sees Hastings as the poor political cousin that is stuck on the very west of the county. Some also believe this causes Hastings to be overlooked and often forgotten about. As decisions are made in Lewes, some argue that the problems of poor quality roads and a lack of infrastructure investment are often forgotten about. Indeed, it could be argued that the quality of the roads in Lewes is much better, partly because of the decisions being made in the area. This feeling of a lack of control over key services has made some campaigners quit as they feel that the county council won't deliver anything for Hastings, and the local borough can't. For example, individuals campaigning for improved transport networks within Hastings have publicly stated they have stopped campaigning due to their belief that ESCC is not listening and the borough council does not have the power to make a difference[58].

Therefore, returning power closer to Hastings will enable the town to make its own decisions on these vital issues. This would provide an opportunity to deliver more effective services on a range of issues where Hastings is currently overlooked. Bringing services and those who make decisions closer to local communities could increase engagement, as the greater focus on providing services at a more localised level could encourage people to feel their participation mat-

ters. This re-engagement of local pressure groups will generate the desperately needed energy in these forgotten policy areas. It will also help deliver better results by allowing campaigners in Hastings to work better with policymakers. This will enable more effective policymaking that will deliver better results and shape services in a way the public demands. For example, currently, some transport campaigners in the neglected areas of East Sussex feel that engaging in consultation is a waste of time. But, providing them with a council that will focus on neglected areas like Hastings could incentivise them to share how a better transport system, such as improved cycle routes, could be provided.

It will also assist in delivering better outcomes by allowing multiple departments to work more effectively together. Therefore, problems that span across multiple agencies can more effectively be tackled through a unitary system than through our current two-tier system. Merging these departments into one unitary authority could also reduce administrative delays by eliminating the problem of one council waiting for the other to communicate and perform essential tasks. This could also help to increase efficiency by reducing the number of actions needed to be taken before a service is delivered.

It would also help to address the political instability Hastings has experienced in recent times. Firstly, a new unitary authority would require new elections where all councillors would be elected every four years. Not only will this make much-needed savings, but it will also provide a fresh new mandate for the elected administration. Further, it would also help to reduce game-playing. This is due to the wider

area bringing in Lib-Dem and conservative-leaning localities, meaning it would be harder for any one party to take full control of the council. Moreover, as it would take time to create this new unitary authority, this would give all local parties and campaigners a much-needed break from elections. This would provide a chance to gradually raise funds and formulate a policy platform. Such policy formation would take into account a greater range of services and encourage parties to tackle problems by getting multiple agencies working on the same problem collectively. In the long term, this could help produce more efficient outcomes.

Additionally, reducing the size of the current unitary authority by dividing it into two could help share services more effectively. It could also make policymaking and service delivery more localised, thus producing a more effective service delivery. Additionally, it would allow smaller and poorer areas of East Sussex to merge with areas that have more resources. It would also bring council tax money given to ESCC back to local communities. This, along with sharing services, could help the council deliver their current operations more efficiently, reducing costs and potentially making local government more self-sufficient. This could help to address the current problem of local government not being financially sustainable and protect what services are left from further cuts. Therefore, the need to merge into a smaller, more local unitary authority is needed not just to improve service delivery, but also to make local government more financially viable.

In summary, the finances and the structure of local government are not as good as they could be. Councils are struggling

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to be financially viable, and the two-tier structure has not encouraged the cooperation between different authorities and services that was initially envisaged. Rather than continuing with the status quo, Hastings should pursue a smaller, more localised unitary authority structure within East Sussex. This will have the added benefits of:

- Decreasing inefficiency, such as administrative delays.
- Creating a more joined-up approach in service delivery, something which will improve service outcomes for a range of issues.
- Providing a more understandable structure for voters and a clearer mandate for elected representatives.
- Decreasing the size of services held at the county council, helping to make service delivery more localised and, from this, more efficient.
- Making local government more financially viable by reducing the size of upper-tier departments and merging services.
- Creating a new set of elections, which will need to be held once the new councils are created. This will give much-needed time to rethink policy and provide a break from the constant election cycle.

### Chapter Endnotes:

[1] A list of services East Sussex County Council (ESCC) are responsible for. <https://www.eastsussex.gov.uk/>

[2] A list of services held by Hastings Borough Council (HBC) [https://www.hastings.gov.uk/a\\_z/](https://www.hastings.gov.uk/a_z/)

[3] The history of setting up modern local government structures, according to the Encyclopaedia Britannica. <https://www.britannica.com/topic/county>

[4] The 1972 government act – House of Commons Library <https://commonslibrary.parliament.uk/long-shadows-50-years-of-the-local-government-act-1972/>

[5] The Local Government Act – details of changes to the Sussex region <https://www.education-uk.org/documents/acts/1972-local-government-act.html>

[6] A conversation with Michael Foster (MP 1997–2010), who was a Labour councillor at the time of the 1972 reform to local government.

[7] A conversation with Michael Foster (MP 1997–2010), who was a Labour councillor at the time of the 1972 reform to local government.

[8] A discussion between Cllr Keen and Cllr Hilton at HBC's cabinet meeting, 1hr 43mins. <https://www.hastings.gov.uk/my-council/cm/?v=4272049>

[9] A discussion between Cllr Keen and Cllr Hilton at HBC's cabinet meeting, 1hr 43mins. <https://www.hastings.gov.uk/my-council/cm/?v=4272049>

[10] A discussion between Cllr Keen and Cllr Hilton at HBC's cabinet meeting, 1hr 43mins. <https://www.hastings.gov.uk/my-council/cm/?v=4272049>

[11] A conversation with a local transport campaigner, Anna Sabin.

[12] A conversation with a local transport campaigner, Anna Sabin.

[13] ESCC releasing their plans for greening the Hastings town centre for consultation <https://consultation.eastsussex.gov.uk/economy-transport-environment/hastingsgreenc>

onnections/

[14] The Hastings town deal outlining the results from the greening of the town centre consultation <https://www.hastingstowndeal.co.uk/town-centre-public-realm-green-connections>

[15] Information gathered from a conversation with a worker at Hastings Voluntary Action (HVA) and volunteers at a local homelessness support charity.

[16] Information gathered from multiple HBC and ESCC councillors.

[17] Information gathered from multiple HBC and ESCC councillors.

[18] Information gathered from multiple HBC and ESCC councillors.

[19] Information gathered from multiple HBC and ESCC councillors.

[20] A video on the Hastings and Rye MP's social media page on her interaction with ESCC on a delayed road building project <https://www.facebook.com/reel/584936824489845>

[21] The breakdown of council tax revenue by authority and emergency service department <https://www.hastings.gov.uk/council-tax/info/>

[22] A local newspaper, *The Hastings Independent*, outlining HBC's decision to stop ESCC's planned cycle path projects. <https://www.hastingsindependentpress.co.uk/articles/news/rough-ride-ahead-for-park-cyclists/>

[23] A local newspaper, *The Hastings Independent*, outlining the Greenway projects – lost due to HBC opposition <https://www.hastingsindependentpress.co.uk/articles/community/greenway-route-progress/>

[24] A conversation with a local transport campaigner, Anna Sabin.

[25] A conversation with a local transport campaigner, Anna Sabin.

[26] The Hastings town deal outlining the results from the greening of the town centre consultation <https://www.hastingstowndeal.co.uk/town-centre-public-realm-green-connections>

[27] Information gathered from multiple HBC councillors and party activists across more than one local party.

[28] No election in the fiscal year of 2022–23, saving HBC 75,000. <https://hastings.moderngov.co.uk/documents/s49821/Draft%20Budget%202023-24%2007.02.2023.pdf>

[29] Information gathered from multiple HBC councillors and party activists across more than one local party.

[30] Information gathered from multiple HBC councillors and party activists across more than one local party.

[31] Information gathered from multiple HBC councillors and party activists across more than one local party.

[32] The BBC covering the defection of Labour councillors (all cabinet members), creating a new independent group <https://www.bbc.co.uk/news/uk-england-sussex-67726989>

[33] A local newspaper, *The Hastings Independent*, outlining the Green-Independent deal <https://www.hastingsindependentpress.co.uk/articles/news/controversy-over-council-cabinet-carr-quits/>

[34] Hastings Green Party forms cabinet – Hastings online times coverage <https://hastingsonlinetimes.co.uk/hot-topics/local-government/hilton-explains-all-green-cabinet>

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[35] The HBC budget (2024/25) outlining the increased revenue the 2.99% council tax rise brings <https://www.hastings.gov.uk/news/latest/24-25-budget-agreed/>

[36] The Eastbourne District Council budget (2024/25) outlining the increased revenue gained from the 2.99% council tax rise. <https://www.lewes-eastbourne.gov.uk/article/2824/3-million-cut-to-council-budget-and-more-savings-inevitable>

[37] Wealden district council budget (2024/25) outlining the increased revenue gained from the 2.99% council tax increase. <https://www.wealden.gov.uk/UploadedFiles/Wealden-District-Council-Unaudited-Draft-SOA-2023-24-PDF.pdf>

[38] Rother district council budget (2024/25) outlining the increased revenue gained from the 2.99% council tax increase <https://www.rother.gov.uk/consultations/2024-25-budget-consultation-financial-challenges-ahead/>

[39] Lewes district council budget (2024/25) outlining increased revenue gained from the 2.99% council tax revenue <https://democracy.lewes-eastbourne.gov.uk/documents/2024-25.pdf>

[40] Eastbourne and Lewes district councils merging – as outlined by the local government association <https://local.gov.uk/case-studies/eastbourne-borough-council-and-lewes-district-council-new-joint-approach-regeneration#:~:text=In%20response%20to%20the%20loss,council%20services%20via%20shared%20teams.>

[41] HBC outlining cuts to its funding streams and losses of full-time staff since 2010 <https://www.hastings.gov.uk/news/latest/peer-review/>

[42] House of Commons library data outlining changes to HBC funding since the 2014/15 fiscal year <https://commonslibrary.parliament.uk/local-authority-data-finances/>

[43] A Channel 4 report confirming housing costs now meet a third of the Borough's spend, confirmed by the BBC. <https://www.channel4.com/news/coastal-town-hastings-calls-for-housing-crisis-solutions>

[44] HBC's financial position as outlined in the November audit meeting <https://www.hastings.gov.uk/my-council/cm/?v=4272030>

[45] Eastbourne council outlining the need to save £3m in the next fiscal year <https://www.lewes-eastbourne.gov.uk/article/2824/3-million-cut-to-council-budget-and-more-savings-inevitable>

[46] Information obtained through an FOI to ESCC- high-ways department.

[47] Information obtained through an FOI to ESCC- high-ways department.

[48] Centre for Cities research on reforming council tax and its potential savings <https://www.centreforcities.org/press/most-households-could-see-annual-council-tax-bills-fall/#:~:text=Council%20tax%20reform%20could%20save,keeping%20local%20authority%20revenues%20neutral>.

[49] Institute for Fiscal Studies research on progressive council tax reform and its revenue potential [https://ifs.org.uk/sites/default/files/output\\_url\\_files/Summary-Revaluation-and-reform-bringing-council-tax-in-England-into-the-21st-century.pdf](https://ifs.org.uk/sites/default/files/output_url_files/Summary-Revaluation-and-reform-bringing-council-tax-in-England-into-the-21st-century.pdf)

[50] Population data from the ONS website – taken from the 2021 census.

[51] The Argus – a Brighton newspaper – covering the story of Brighton and Hove borough councils merging <https://www.theargus.co.uk/news/20036721.two-became-one----story-behind-merger-brighton-hove/>

[52] Population data from the ONS website – taken from the 2021 census.

[53] Adding up localities' population data from the ONS website – taken from the 2021 census.

[54] Eastbourne and Lewes district councils merging – as outlined by the local government association <https://local.gov.uk/case-studies/eastbourne-borough-council-and-lewes-district-council-new-joint-approach-regeneration#:~:text=In%20response%20to%20the%20loss,council%20services%20via%20shared%20teams>

[55] HBC's budget savings proposal plan – 2024/25 onwards – approved in February 2024. <https://hastings.moderngov.co.uk/documents/s52076/Budget%20savings%20proposals%20UPDATED%20FOR%20COUNCIL.pdf>

[56] The BBC covering the defection of Labour councillors (all cabinet members), creating a new independent group – something the finance office estimated cost the council hundreds of thousands of pounds due to the delay in merging services. <https://www.bbc.co.uk/news/uk-england-sussex-67726989>

[57] HBC unveils their new CEO is also the CEO of Eastbourne council <https://www.hastings.gov.uk/news/latest/interim-chief-executive/>

[58] A conversation with a local transport campaigner, Anna Sabin.