



news release

14 October 2026

West Sussex warns government funding decisions pushing sustainable councils towards ‘tipping point’

West Sussex County Council has written to Government warning that national funding decisions are placing increasing pressure on local services and risk undermining the long-term financial sustainability of well-managed councils.

The Council Leader is calling for urgent action on local government funding, SEND reform and the costs of supporting unaccompanied asylum-seeking children.

In his letters to ministers, Councillor Jay Mercer says a combination of funding reductions, rising demand and new costs arising from national policy is creating unprecedented pressures, despite the council's strong track record of financial management and delivering significant savings.

Among the issues highlighted are:

- A loss of approximately £30 million to West Sussex through changes introduced under the Government's Fair Funding Review.
- A £5.1 million funding shortfall linked to supporting unaccompanied asylum-seeking children associated with immigration facilities at Gatwick.
- A projected Dedicated Schools Grant (DSG) deficit of around £500 million by March 2027 with a residual liability of around £50 million for the council.
- Continued uncertainty over the future of SEND reform and funding arrangements, making long-term financial planning increasingly difficult.

The Leader furthermore warns that these pressures come at a time when Local Government Reorganisation is underway, creating additional costs and uncertainty as work progresses to establish new councils across Sussex.

Cllr Jay Mercer, Leader of West Sussex County Council, said:

"West Sussex is a well-run council with a strong record of delivering value for taxpayers and protecting frontline services.

"However, we can no longer continue to absorb rising costs, increasing demands, and further uncertainties and we now risk reaching the financial tipping point that pushes even the most responsible authorities beyond the limits of what can be managed sustainably.

"Our message to Government is simple: councils need a fair funding settlement and greater certainty. Without action, local taxpayers will continue to shoulder the cost of national policy decisions while seeing increasing pressure placed on the services they rely on every day."

Cllr Jane Davey, Cabinet Member for Finance and Property, said:

"The financial pressures facing local government are not theoretical. They are real, growing and increasingly difficult to manage through local efficiencies alone.

"We are asking Government to work with councils to deliver sustainable solutions so that residents can continue to receive the services they need both now and in the future."

Cllr Sam Raby, Cabinet Member for Children, Young People and Learning Services, said:

"Children and young people must remain at the heart of this debate. This council has demonstrated its commitment to improving outcomes for children and families in West Sussex, but lasting progress will require national action and a funding system that is fit for purpose.

"We are pleased our SEND Reform Plan has been accepted by government and that we will be paid our grant of around £183m. However, this currently leaves a 10% shortfall in the Dedicated Schools Grant of around £50m, which is still a significant financial burden for us."

In a letter to the Chancellor, the Leader calls on Government to revisit funding changes arising from the Fair Funding Review and provide sufficient funding for Local Government Reorganisation.

In a separate letter to the Secretary of State for Education he calls for Government to fully fund the costs incurred by local authorities in supporting unaccompanied asylum-seeking children, confirm its commitment to address SEND deficits, confirm the outcome of its assessment of SEND Reform Plans, and accelerate the Government's own SEND reforms.

ENDS

Notes to editors

- Both letters written from Cllr Jay Mercer to Government are attached.
- A picture of Cllr Jay Mercer is attached.

[WSCC Letter from Leader to Chancellor.pdf](#)

[WSCC Letter from Leader to Secretary of State for Education.pdf](#)



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