

Eastbourne Borough Council | Council Tax Reduction Scheme 2025/26 consultation

January 2025

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Background

From Monday 8 July to Monday 30 September 2024, Eastbourne Borough Council consulted over proposed changes to its Council Tax Reduction scheme. The proposals would mean a greater level of support for people on a low income.

Since April 2013, local authorities have been required to have a local scheme to help working age residents on a low income to pay their Council Tax. This is called the Local Council Tax Reduction Scheme. It works by reducing the amount of Council Tax the person must pay.

The rules of the scheme for people of pension age are set by central government.

Eastbourne Borough Council consulted over proposals to make the following changes to the scheme for people of working age in Eastbourne:

1. Increasing the maximum reduction to 100%.
2. Removing the minimum awards so a claimant can qualify for, and be awarded, less than £5 per week.
3. Basing a self-employed claimant's income on their actual earnings.

The current scheme (2024/25), contains three elements that the council is considering changing.

1. That the maximum reduction a working age claimant can get is 80% of their Council Tax liability.
2. That if a claimant qualifies for less than £5 per week, they do not receive any reduction. This is known as the £5 minimum award.
3. That certain self-employed claimant's earnings are based on the hourly rate of the national living wage of £11.44 X 35.

The cost of the scheme is shared between the organisations that receive a proportion of council tax, called 'preceptors'.

The scheme is shared between Eastbourne Borough Council, East Sussex County Council, Sussex Police, and East Sussex Fire and Rescue Service in proportion to their share of Council Tax receipts.

The table below shows these costs:

Preceptors	Share of Council Tax	Cost
Eastbourne Borough Council	12%	£648,000
East Sussex County Council	73%	£3,942,000
Sussex Police	10%	£540,000
East Sussex Fire & Rescue	5%	£270,000
Totals	100%	£5,400,000

If these changes are adopted, it will increase the cost of the working age scheme as set out in the tables below (based on 2023/24 Council Tax charges and current caseload levels).

It should be noted that changes in the numbers of working age and pension age claimants will impact on the overall cost of the schemes.

Changes proposed	Cost
100% maximum reduction	£955,699
No minimum award	£3,000
Removing the Minimum Income Floor	£150,000
All changes	£1,108,699

What this would mean for the council and other preceptors

Changes	ESCC	EBC	Police	Fire and Rescue
100% maximum reduction	£668,103.28	£114,683.88	£95569.90	£47784.95
No minimum award	£2160	£360	£300	£150
Removing the Minimum Income Floor	£108,000	£18,000	£15,000	£7,500
All changes	£778,263.28	£133,043.88	£110,869.90	£55,434.95

Impact on Eastbourne Borough Council's finances

If the changes are adopted it will result in a reduction in the Council Tax due to the council of £133,043.88.

To offset this potential loss of income the council would need to look for areas for savings and income generation across its services.

Impact on Council Tax Collection rate

If the minimum award is increased from 80% to 100% the collection rate would be expected to increase.

By increasing the level of Council Tax reduction it will reduce the cost and time associated with collecting small balances. This would enable the additional resource currently funded by the main preceptors to focus on activity to sustain and grow the Tax Base in the future.

For example, this could be by extending the remit to undertake single person discount reviews for working age claimants in receipt of Council Tax reduction.

How we consulted

The council invited feedback from residents, businesses, partner organisations and other stakeholders over the proposals from Monday 8 July to Monday 30 September 2024.

A page was published on the council's website and a survey provided to help respondents structure their feedback.

Responses were also invited in writing. The consultation materials were offered in different languages and forms on request.

The consultation was promoted via a press release to the local media, a news story published on the council website, via email to the council's 20k email mailing list, via the council's tenant mailing list and through social media posts throughout the consultation period.

Headline findings

- 315 people and four organisations responded to the consultation.
- 53% of respondents agreed that the most financially vulnerable should not pay any council tax in Eastbourne. 43% disagreed.
- 49% of respondents agreed that working age adults should be able to claim up to 100% Council Tax Reduction. 47% disagreed. Most respondents felt strongly (agreed or disagreed) about this proposal.
- 60% of respondents agreed that there should be no minimum award for Council Tax Reduction.
- 80% of respondents agreed that the income of the self-employed should be based on their actual income from self-employment.
- 45% of respondents felt the proposals would have no significant impact on them. 21% felt they would have a positive impact, while 34% felt they would have a negative impact.
- The most frequent reasons given for a negative impact were the strain it could put on public services or respondents not wanting it to result in their council tax to go up (not something that was included in the consultation).
- Responses from three organisations are included in Appendix 1. These were from Eastbourne Food Bank, Tech Resort CIC and Christians Against Poverty. All of these responses were highly supportive of the proposals.

Summary of consultation responses

Please note, responses from all organisations are included in full in appendix 1. This includes a response submitted in writing by Eastbourne Foodbank.

1. Please tell us in what capacity you are responding to this consultation:				
Answer Choices			Response Percent	Response Total
1	An individual		98.75%	315
2	An organisation		1.25%	4
			answered	319
			skipped	3
If 'organisation' please tell us its name:				
<ul style="list-style-type: none"> • TechResort CIC • Christians Against Poverty - Eastbourne Debt Centre • Eastbourne Foodbank (response submitted by email) 				

2. How much do you agree or disagree proposal that the most financially vulnerable should not pay any council tax in Eastbourne?				
Answer Choices			Response Percent	Response Total
1	Strongly agree		35.22%	112
2	Agree		18.24%	58
3	Disagree		14.47%	46
4	Strongly disagree		28.62%	91
5	Don't know		3.46%	11
			answered	318
			skipped	4
Comments: (93)				
<ul style="list-style-type: none"> • Everyone should pay something – 32 (comments) • This should not be at the expense of cutting other services - 19 				

2. How much do you agree or disagree proposal that the most financially vulnerable should not pay any council tax in Eastbourne?

- Any help for people on a low income is welcome – 18
- Agree with the proposals – 12
- Disagree with the proposal - 12
- All working people should pay something – 4
- Impact of debt recovery on those unable to pay – 3
- Debt recovery could cost more in the long run - 2

3. How much do you agree or disagree with the proposal that working age adults should be able to claim up to 100% Council Tax Reduction?

Answer Choices		Response Percent	Response Total
1	Strongly agree	30.41%	97
2	Agree	18.81%	60
3	Disagree	11.29%	36
4	Strongly disagree	36.05%	115
5	Don't know	3.45%	11
		answered	319
		skipped	3

Comments: (60)

- Everyone should pay something – 23
- Disagree with the proposal – 11
- This should not be at the expense of cutting other services – 5
- I agree with the proposal – 6

4. How much do you agree or disagree that there should be no minimum award?

Answer Choices		Response Percent	Response Total
1	Strongly agree	32.08%	102

4. How much do you agree or disagree that there should be no minimum award?

2	Agree		27.67%	88
3	Disagree		10.38%	33
4	Strongly disagree		17.92%	57
5	Don't know		11.95%	38
			answered	318
			skipped	4

Comments: (48)

- Disagree with the proposal – 18
- Agree with the proposal – 9
- There should be no discounts 2
- 2 Everyone should contribute something – 2

5. How much do you agree or disagree that that the income of the self-employed should be based on their actual income from self-employment?

Answer Choices		Response Percent	Response Total	
1	Strongly agree	44.65%	142	
2	Agree	35.22%	112	
3	Disagree	5.97%	19	
4	Strongly disagree	7.86%	25	
5	Don't know	6.29%	20	
			answered	318
			skipped	4

Comments: (58)

- Agree with the proposal – 25
- It would be open to potential abuse/fraud – 21
- Disagree with the proposals – 8
- Self-employed people should pay the same as others - 2

6. Would the proposals have a positive, negative or no impact on you personally?

Answer Choices		Response Percent	Response Total
1	Positive	20.83%	65
2	Negative	33.65%	105
3	No impact	45.51%	142
		answered	312
		skipped	10

Comments: (90)

- It would put more strain on public services locally - 26
- Negative - 25
- I would not want my council tax to go up to fund this - 24
- Positive impact - 10
- Everyone should contribute something - 2

7. If you have any other suggestions for how Eastbourne Borough Council should award Council Tax Reduction, please give details below.

Answer Choices		Response Percent	Response Total
1	Open-Ended Question	100.00%	95

- Suggestion for a different scheme - 14
- Support the proposed scheme - 10
- Remove the scheme altogether - 9
- Keep current scheme - 8
- Everyone should contribute something - 5
- Comment about potential fraud - 4
- Reduce council tax for all to make it fair - 3
- More support for pensioners - 2
- Increase council tax for highest band - 2
- Should be means tested – 2

8. If you would like to keep updated on the outcome of this consultation and be informed about future consultations, please enter your email address below.

Answer Choices		Response Percent	Response Total
1	Open-Ended Question	100.00%	122
		answered	122
		skipped	200

Equality monitoring questions

9. Would you like to answer or skip the following questions about you?

Answer Choices		Response Percent	Response Total
1	Answer the questions	59.49%	188
2	Skip the questions	40.51%	128
		answered	316
		skipped	6

10. What is your age?

Answer Choices		Response Percent	Response Total
1	Under 18	0.00%	0
2	18 - 24	0.00%	0
3	25 - 34	6.35%	12
4	35 - 44	11.64%	22
5	45 - 54	17.46%	33
6	55 - 64	24.34%	46
7	65 - 74	24.34%	46
8	75 +	13.76%	26
9	Prefer not to say	2.12%	4

10. What is your age?

answered	189
skipped	133

11. What is your sex?

Answer Choices		Response Percent	Response Total
1	Male	37.57%	71
2	Female	61.90%	117
3	Other	0.53%	1
		answered	189
		skipped	133

12. What is your ethnic group? Ethnic groups are defined by the 2011 census

Answer Choices		Response Percent	Response Total
White			
1	English/Welsh/Scottish/Northern Irish/British	89.30%	167
2	Irish	1.07%	2
3	Gypsy or Irish Traveller	0.00%	0
4	Any Other White background	5.35%	10
Mixed/Multiple Ethnic Groups			
5	White and Black Caribbean	0.00%	0
6	White and Black African	0.00%	0
7	White and Asian	0.53%	1
8	Any Other Mixed background	0.53%	1
Asian or Asian British			
9	Asian/Asian British	0.00%	0
10	Indian	0.00%	0
11	Pakistani	0.00%	0

12. What is your ethnic group? Ethnic groups are defined by the 2011 census

12	Bangladeshi		0.00%	0
13	Chinese		0.00%	0
14	Any Other Asian background		0.00%	0
Black/African/Caribbean/British Black				
15	African		1.07%	2
16	Caribbean		1.07%	2
17	Any Other Black/African/Caribbean background		0.00%	0
Other ethnic group				
18	Arab		0.00%	0
19	Any Other Ethnic Group (please specify):		1.07%	2
			answered	187
			skipped	135
Any Other Ethnic Group (please specify): (2)				

13. Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?

Answer Choices			Response Percent	Response Total
1	Yes, limited a lot		16.84%	32
2	Yes, limited a little		21.05%	40
3	No		62.11%	118
			answered	190
			skipped	132

Next steps

The consultation report will be considered by Full Council alongside a separate report which will make recommendations for whether the proposals will be adopted as part of the 2025/26 Council Tax Reduction scheme for people of working age in Eastbourne.

Appendix 1 – Full responses from organisations

Eastbourne Foodbank

Overview:

Eastbourne Foodbank fully supports the proposal to introduce a 100% Council Tax Reduction (CTR) rate in Eastbourne for those on the lowest incomes. We welcome Eastbourne Borough Council's proposals, its consideration of this matter and the recently held public consultation.

As an anti-poverty charity, with a vision to end the need for emergency food provision in our town, we believe the implementation of such a scheme will help support our clients up and out of needing to use a foodbank. We believe it should prevent working-aged Eastbourne residents in insecure work and on low incomes from falling into crisis and needing to rely on our foodbank.

About Eastbourne Foodbank:

Eastbourne Foodbank is a Trussell Trust foodbank which relies on donations and receives no regular government funding. Our charity provides short-term emergency food for people in financial crisis and has an in-house financial inclusion team. This staff team comprises two full-time and one part-time welfare benefits advisors and a debt advisor. The aim of this work is to ensure people visiting the foodbank have enough money to afford the essentials and no longer need emergency food. As a result, our financial inclusion team understands the wide ranging issues which cause hardship locally.

The foodbank, along with other key advice agencies in the town including Citizens Advice Eastbourne and CAP Debt Centre Eastbourne, has long understood that difficulties paying council tax has a significant, detrimental impact on many local people using emergency food and advice services in our town.

Our evidence:

Foodbank clients frequently report they are unable to manage their council tax. At the foodbank, we speak to people on a regular basis who are unaware they are eligible for CTR and, as a result, have historic council tax debt they cannot afford to pay. Our financial inclusion team will ensure our clients apply for the CTR they are eligible for but often enforcement agencies have been instructed to recover the existing debt which leads to charges, bailiff action and the threat of a custodial

sentence. As a result, there is very often a council tax element when we support foodbank clients in managing their debt.

The data below shows the debt and council tax debt amounts which have been managed by the foodbank between January 1st 2023 and August 31st 2024:

- The foodbank has helped its clients manage a total of £406,300 worth of debt
- £57,800 (14%) of that debt managed was council tax debt
- On average, clients had £1,650 worth of council tax debt

Case Study:

Ben receives the basic rate of Universal Credit and was collecting food at St Saviour's Church on September 13th 2024, when he shared his story.

"I found myself in crisis after losing my job and my health taking a massive tumble. I already had poor health but I was involved in an unprovoked assault and had to spend some time in hospital. I had no job, had split from my partner and had no family around me, so I found myself in crisis – financially, physically and emotionally. I fell behind with my council tax because of a lack of funds. I had to prioritise food, rent to keep a roof over my head and electricity. Everything was just going up and up, which was hard to manage on the basic benefits.

"I didn't know I was eligible for council tax reduction and the bill was unmanageable. The council knew I was struggling but no-one told me about any reduction. A face-to-face would have been good. I wish the council had helped me find a way to repay the debt.

"I became one of those people who buried my head in the sand because I couldn't cope. Some of the last letters I opened, I was being threatened with incarceration. I don't know how much I owe, but it is all having to be written off now because it became too much.

"For me, 100% council tax reduction would financially be a benefit and physically be a benefit too."

Charity agencies across the town supported Ben through his crisis with the following actions:

- Eastbourne Foodbank provided emergency food
- Eastbourne Foodbank applied for CTR to reduce Ben's future costs
- Ben told the foodbank CAP is supporting him to become debt-free with a Debt Relief Order (DRO)
- Eastbourne Foodbank's community development team made Ben aware of the recent CTR consultation so he is able to share his views on the proposed scheme

Ben’s situation is not unique and many foodbank clients are gradually paying off historic council tax debt, while their council tax bill continues to accrue under the current 80% CTR scheme. Eastbourne Foodbank suggests the introduction of 100% CTR would allow people breathing space to pay off the arrears without resorting to DROs, which results in the council recovering none of the debt owed.

Potential impact of the proposed scheme:

Eastbourne Foodbank strongly agrees with all three elements put forward in this proposed Council Tax Reduction scheme for 2025/2026 because we believe these changes can only have a positive impact for people in the toughest financial situations. Our foodbank has been calling for 100% CTR in Eastbourne, in line with similar schemes previously implemented in response to the cost of living crisis by our neighbouring local authorities in Lewes, Wealden and Hastings.

The table below outlines the reasons we believe the proposed scheme will reduce hardship in Eastbourne.

Proposed CTR scheme elements for 2025/2026	Potential impact for people on low incomes
<p>Increasing the maximum reduction to 100%</p>	<ul style="list-style-type: none"> • Ease the financial pressure for residents on the very lowest incomes • Provide breathing space for those struggling to reduce historic council tax debt • Reduce the stress caused by bailiff enforcement for Eastbourne’s most financially vulnerable
<p>Removing the minimum award so a claimant can qualify for, and be awarded, less than £5 per week</p>	<ul style="list-style-type: none"> • Additional support for people just managing to make ends meet will be prevented from falling into crisis • Provide additional support for working people on low wages • Seemingly small amounts can make a big difference to low budgets

Basing a self-employed claimant's income on their actual earnings

- Provide a true reflection of the struggles and insecurity faced by people who are self-employed
- Ease the financial pressure for the self-employed

The foodbank works with people with lived experience of poverty to ensure their voice is heard. During this CTR consultation period, the foodbank has worked in partnership with TechResort in our foodbank satellites to ensure our clients are aware they have the opportunity to take part in this process and to provide support for anyone who may struggle to access the council's online survey. Foodbank is politically impartial and did not influence clients in their answers. This work, which took place in the week commencing September 9th 2024, revealed 100% of foodbank clients we spoke to at all six of our foodbank satellites were unaware the public consultation was taking place. Unsurprisingly, all foodbank clients who expressed a view about the suggested scheme said they were in favour of the proposed changes.

Juliet Mead

Community Development and Communications Manager

Tech Resort

Q1. Please tell us in what capacity you are responding to this consultation:

An organisation

If 'organisation' please tell us its name:

TechResort CIC

Q2. How much do you agree or disagree proposal that the most financially vulnerable should not pay any council tax in Eastbourne?

Strongly agree

Comments:

TechResort's digital exclusion clients are already choosing between internet connections, feeding their families and other bills. for those on the lowest incomes, improving their general financial situations would reduce their reliance on emergency support.

Q3. How much do you agree or disagree with the proposal that working age adults should be able to claim up to 100% Council Tax Reduction?

Strongly agree

Comments:

The policy should line up with other housing strategy in the Borough - for example, the work of the homelessness prevention team who go to great lengths to keep people in their housing to prevent homelessness. Surely reducing housing costs for those in the most precarious situations would support the work of that team

Q4. How much do you agree or disagree that there should be no minimum award?

Strongly agree

Q5. How much do you agree or disagree that that the income of the self-employed should be based on their actual income from self-employment?

Agree

Comments:

This sounds intuitively appropriate but we'd assume you'd taken advice from organisations like CAB and Foodbank to understand how this would affect those on the most variable self-employed earnings (presumably this includes 'gig-economy' workers)

Q6. Would the proposals have a positive, negative or no impact on you personally?

No impact

Christians Against Poverty - Eastbourne Debt Centre

Q1. Please tell us in what capacity you are responding to this consultation:

An organisation

If 'organisation' please tell us its name:

Christians Against Poverty - Eastbourne Debt Centre

Q2. How much do you agree or disagree proposal that the most financially vulnerable should not pay any council tax in Eastbourne?

Strongly agree

Q2. How much do you agree or disagree proposal that the most financially vulnerable should not pay any council tax in Eastbourne?

Comments:

Our clients would benefit from this proposal for 100% reduction and it would ease some of the stress and impact on mental health and wellbeing that being in debt produces.

Q3. How much do you agree or disagree with the proposal that working age adults should be able to claim up to 100% Council Tax Reduction?

Strongly agree

Comments:

This is essential to help some of our most vulnerable clients at Christians Against Poverty. We strongly support this proposal.

Q4. How much do you agree or disagree that there should be no minimum award?

Strongly agree

Comments:

For those in significant financial difficulty, any reduction is a help and we welcome this proposal.

Q5. How much do you agree or disagree that that the income of the self-employed should be based on their actual income from self-employment?

Strongly agree

Comments:

This would more accurately reflect the real situation of those who are self employed.

Q6. Would the proposals have a positive, negative or no impact on you personally?

No impact

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