

COUNTY COUNCIL – 9 JULY 2024

QUESTIONS FROM MEMBERS OF THE PUBLIC

1. Question from Roger Nutkins, Barcombe, East Sussex

I have been a council tax payer in Lewes for 4 years. The payment I have to make to LDC is the third highest council tax in the country and the bulk of this payment (ca 70%) goes to ESCC. Thus ESCC are responsible for the fact that all Lewes council tax payers are having to pay a lot more in council tax than around 98% of all other authorities. What is the justification for this and what actions are ESCC taking to reduce this payment?

Answer by the Lead Member for Resources and Climate Change

Local authorities are funded from a combination of council tax, business rates and government grants. On average, council tax funds about half of what local authorities spend, although that proportion can vary significantly between different authorities. For East Sussex, this is much higher, at approximately 70%, as the level of business rates we are able to generate is low and government grants have been reduced over many years.

Significant cuts to funding from government grants has meant that East Sussex has had to make nearly £140m of savings to enable balanced budgets to be set each year since 2012. The basis for allocating the remaining grant funding has not been updated for many years, barely reflecting the current differing needs of councils, such as levels of deprivation or other local demographic characteristics. A “fair funding” review was originally planned for 2019 but has been delayed for a number of years leaving many councils, like East Sussex, with no choice but to increase council tax by the maximum allowable amount each year.

In addition, East Sussex has a number of pressures that increase the cost of providing services to which we are legally obliged.

- Parts of East Sussex suffer high levels of deprivation. More than 30,000 people here live in areas among the 10% most deprived in England.
- We have a much higher than average population of older people and this is rising. Older people add hugely to the life of the county yet are also more likely to need our support.
- The cost of providing home-to-school transport for children with Special Educational Need and Disability (SEND) in rural counties like ours has doubled in the last five years.
- Our constrained economy means the average annual earnings of someone who lives and works here are just over £29,000, compared to the England average of £33,280.

We continue to benchmark our service costs against national metrics and review the cost effectiveness of services to ensure we are achieving value for money for our residents.

Government has requested that all councils provide a new Productivity Plan that sets out how they deliver services in the most effective ways. The Council’s Productivity Plan has been published in the State of the County Report, at Appendix 5: [Appendix 5.pdf](#) (eastsussex.gov.uk)

Separately, through our membership of the County Council Network and the Local Government Association, we lobby central government to undertake an urgent review of council funding.