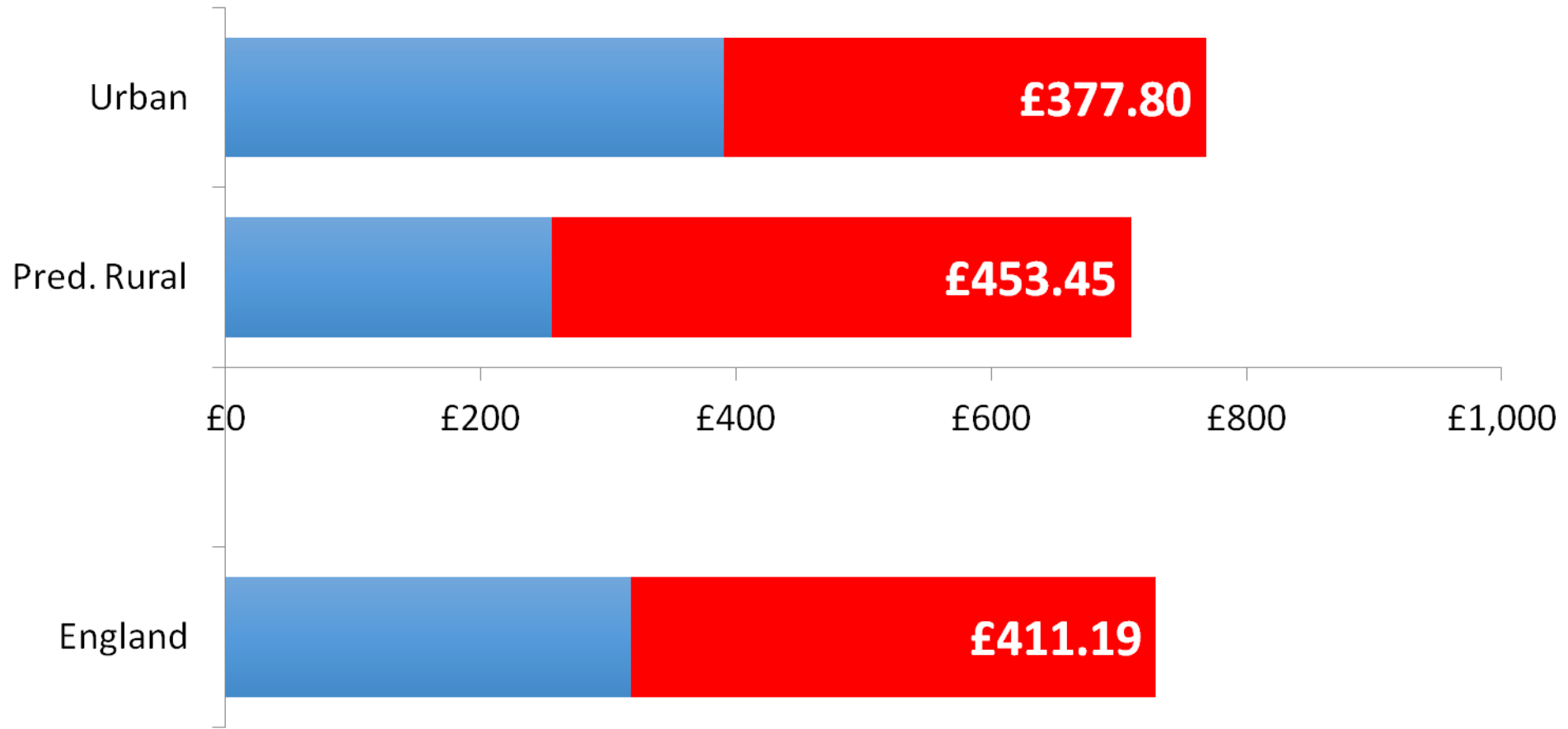
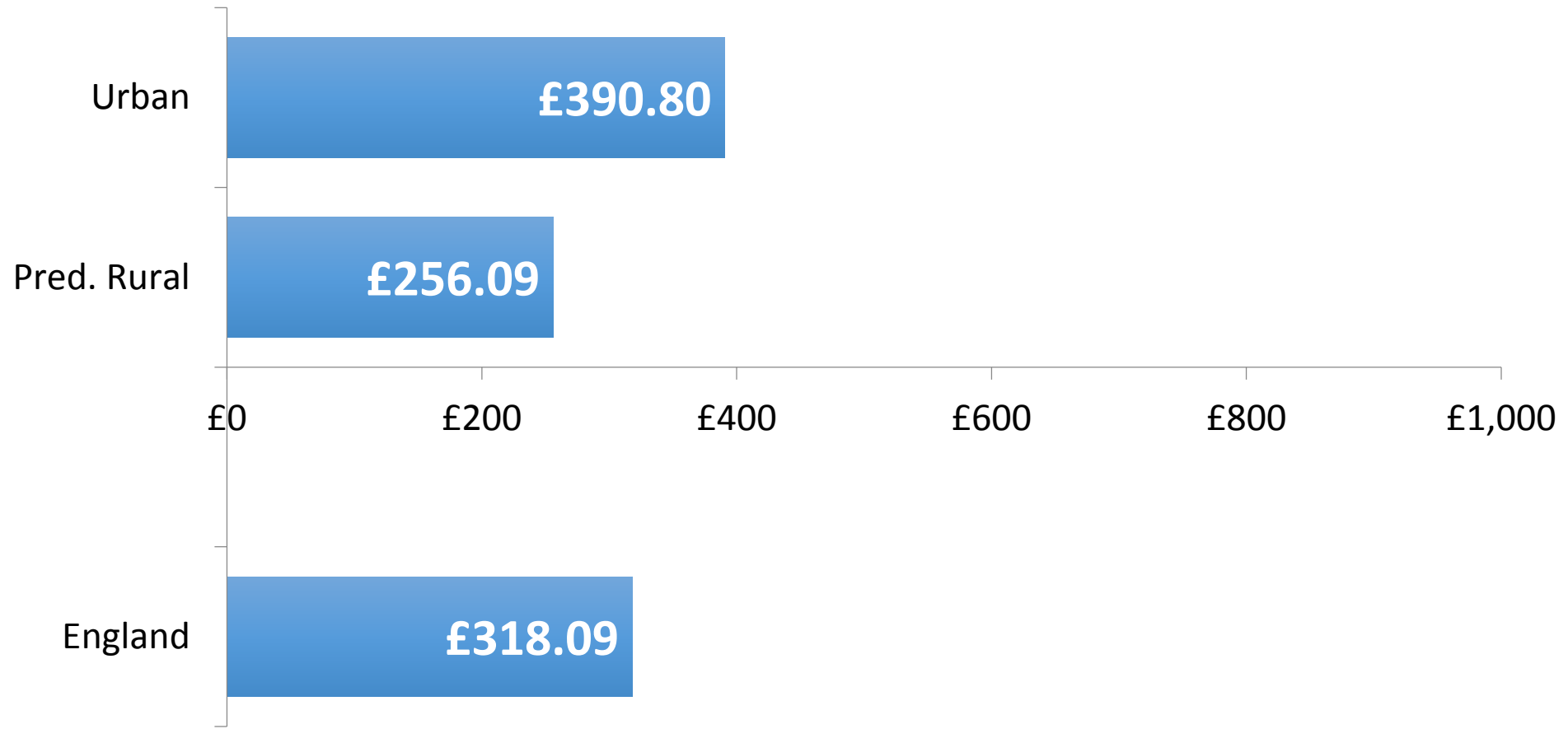


What we said last year –
13/14

Council Tax is much higher per head in rural areas than in urban areas (by about £75)



Formula Grant is considerably lower per head in rural areas than urban areas (by about £135)



Spending Power Analysis

1. Spending Power per head is less in rural areas than in urban areas ... **yet** ...
2. Council Tax is much higher per head in rural areas than in urban areas ... **this is because** ...
3. Formula Grant is considerably lower per head in rural areas than urban areas ... **and** ...
4. The gap has just got wider with the 2013/14 Settlement

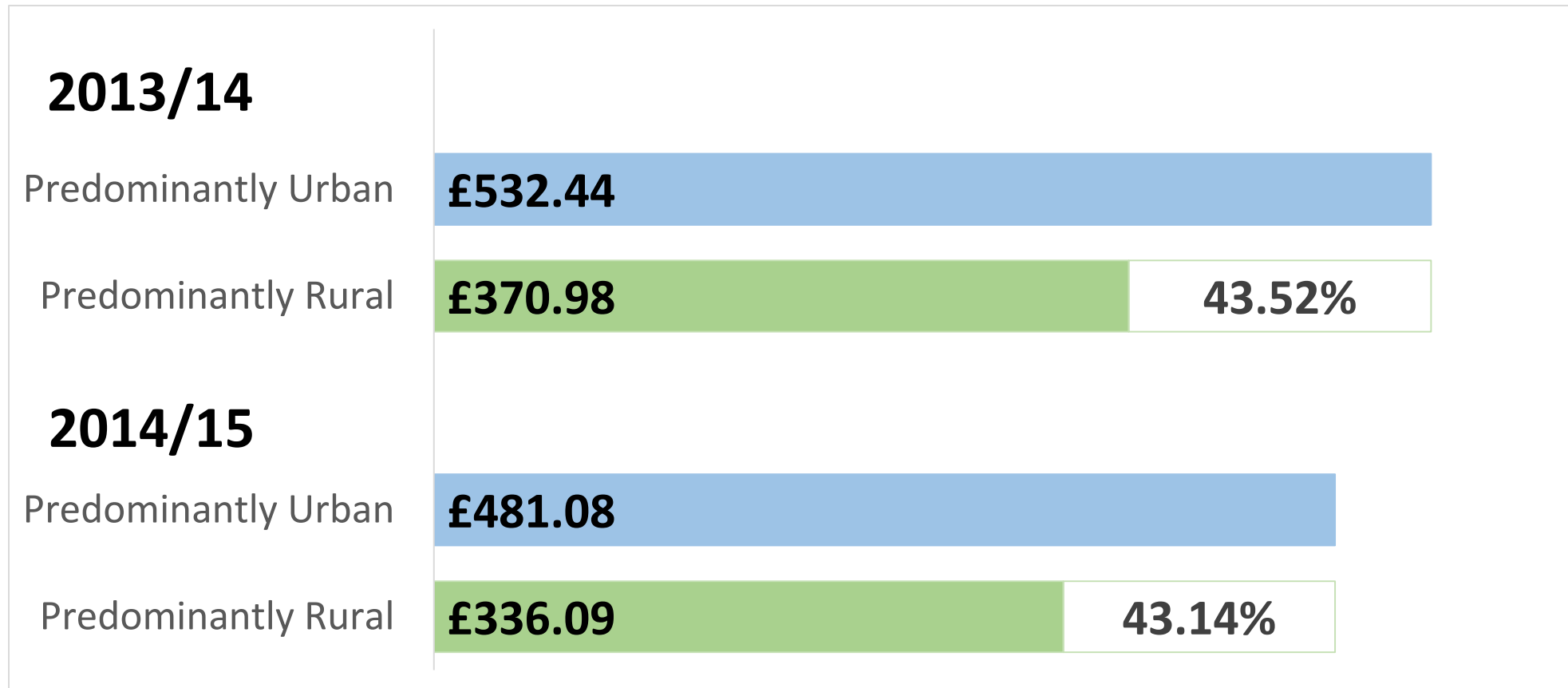
So what has changed?

Not a lot !

- ESSSA is now £11.5m – Government will claim a 10% increase but hasn't really changed at all!
 - ESSSA is now part of SFA
 - And its name has changed to Rural Services Delivery Grant (RSDG)
- 1. RSDG is now worth £1.10 per head on average**
 - 2. But the gap in SFA is £153**
- Formula Grant has been hidden – SFA the new currency!
- 3. Equal cuts to SFA in urban and rural – the gap is virtually the same!**
 - 4. So Council Tax still significantly higher in rural areas (about £87 per head)**

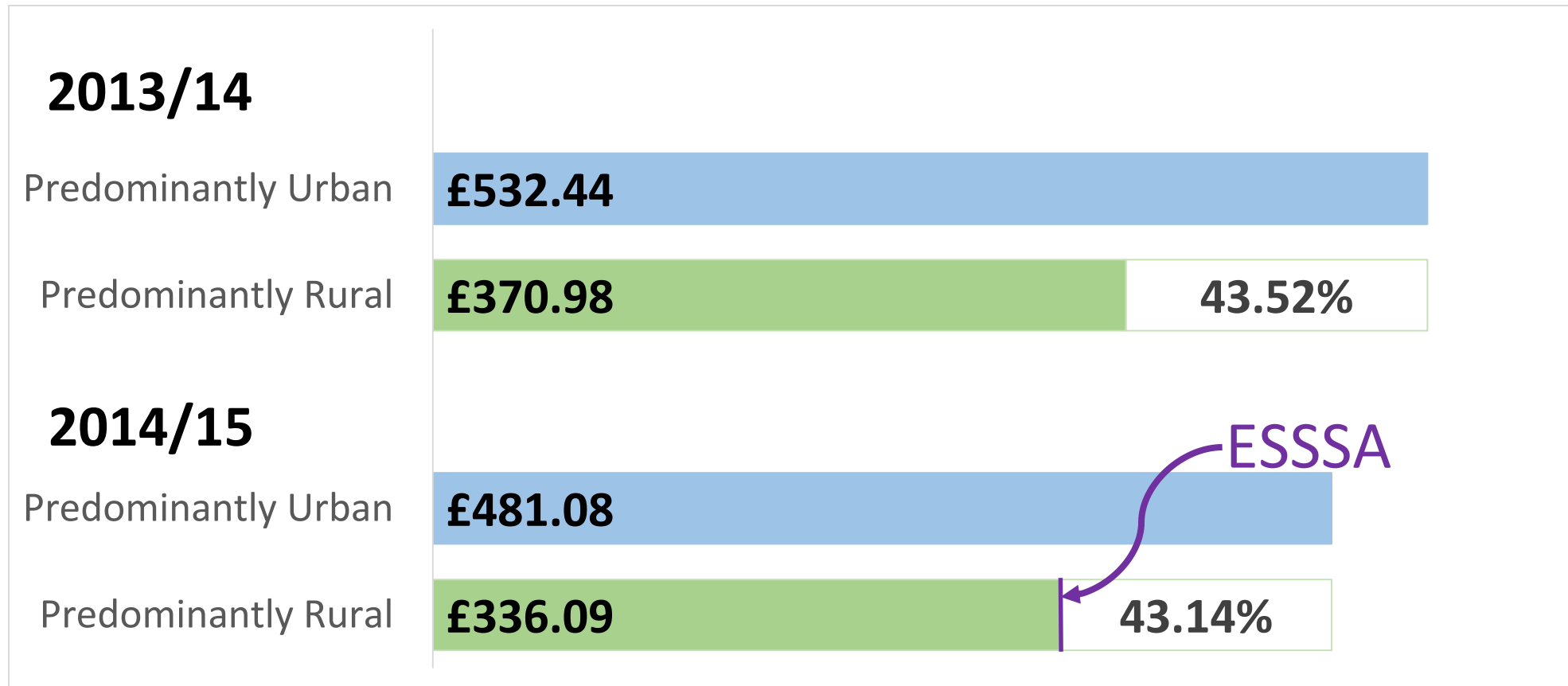
With SFA cuts being roughly equal for all authorities, the gap in SFA is barely changed

SFA – Urban v Rural – 13/14 and 14/15



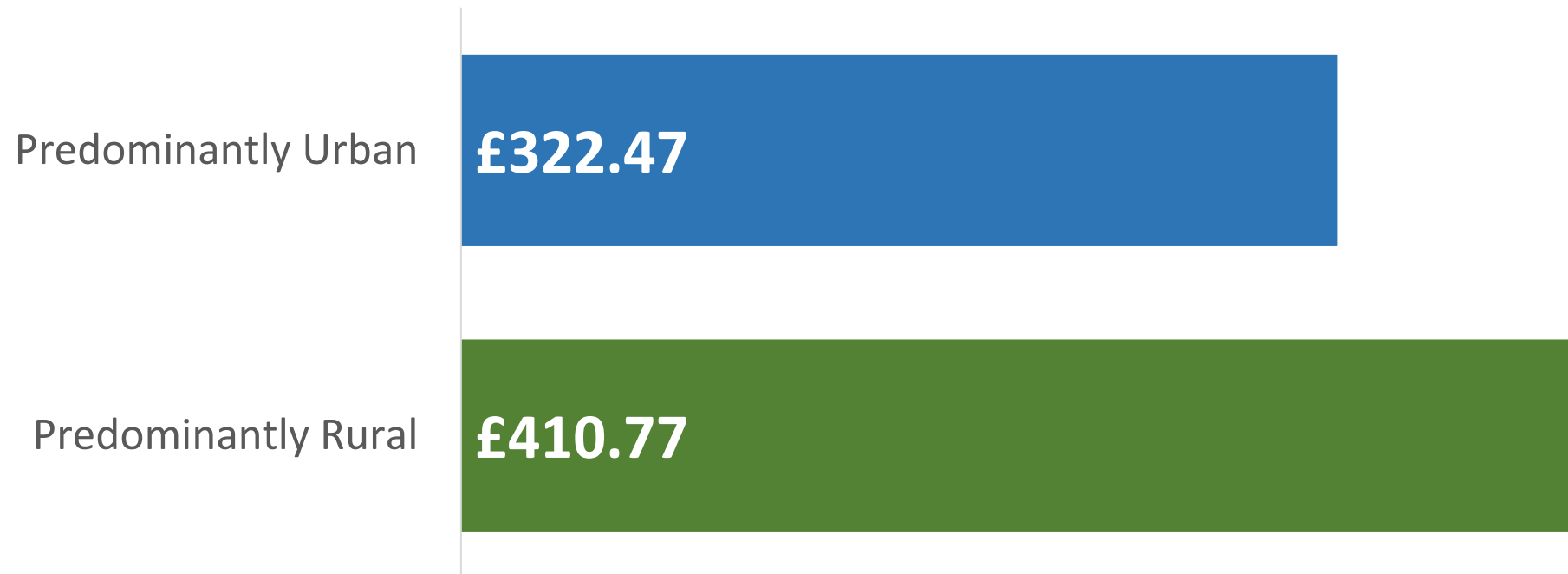
And ESSSA is worth £1.10 on average!!!

SFA – Urban v Rural – 13/14 and 14/15 with ESSSA



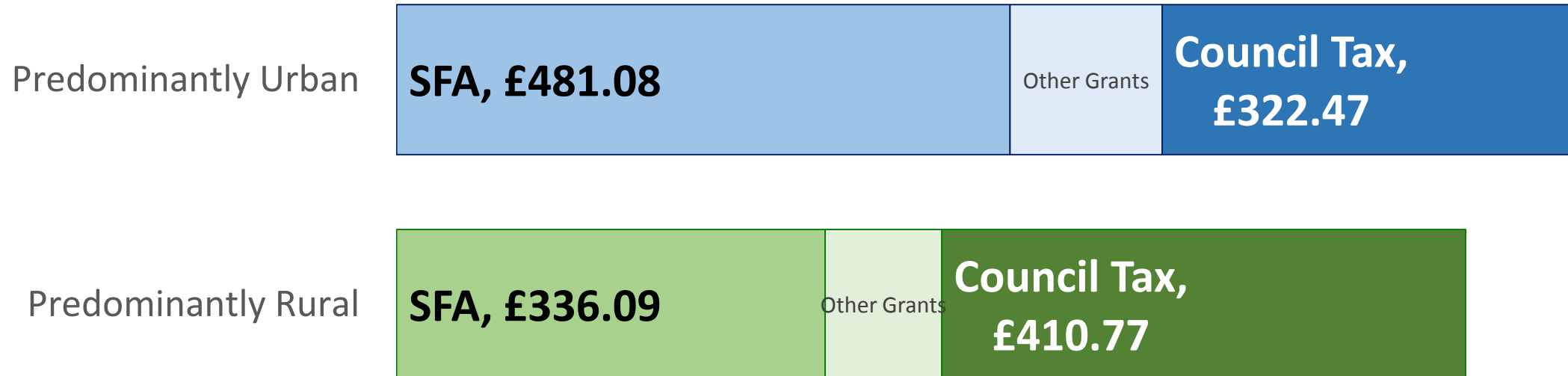
Council Tax is still £87 per head more in rural areas

Council Tax – Average per Head – 2014/15



So for most rural areas, you still pay more in Council Tax, from lower incomes, to receive less in Spending Power!

Spending Power – Urban v Rural – 2014/15



Spending Power Analysis – 2013/14

1. Spending Power per head is less in rural areas than in urban areas ... yet ...
2. Council Tax is much higher per head in rural areas than in urban areas ... this is because ...
3. Formula Grant is considerably lower per head in rural areas than urban areas ... and ...
4. The gap has just got wider with the 2013/14 Settlement

Spending Power Analysis – 2014/15

1. Spending Power per head is less in rural areas than in urban areas ... **yet** ...
2. Council Tax is much higher per head in rural areas than in urban areas ... **this is because** ...
3. Formula Grant is considerably lower per head in rural areas than urban areas ... **and** ...
4. The gap has stayed the same with the 2014/15 Settlement

So what will we say next year
– 15/16

Worst case = As things stand!

1. All authorities to get equal cuts to SFA (of about 15%!!) so the gap will remain about the same
2. As things stand, RSDG will remain at £11.5m
3. Initial impact of rates localisation will be known – will there be a differential impact on rural and urban?
4. New Homes Bonus will be in its fifth year – further benefitting areas of housing growth

Better case = As things could be!

1. All authorities to get equal cuts to SFA (of about 15%!!) so the gap will remain about the same
2. DCLG / Defra jointly commissioned survey on cost drivers in rural areas. Initial conclusions in late summer. Fuller conclusions by November – in time for provisional settlement (?)
3. No material change to settlement but RSDG might be changed

So has the campaign been successful?

Partially

1. Rural Services Grant in SFA formula
 2. Extra £2m announced at final settlement
 3. DEFRA/DCLG study on cost of serving rural areas
- Positive direction of travel but slow!
 - Largely thanks to partnership of local people, local councils and Rural MPs