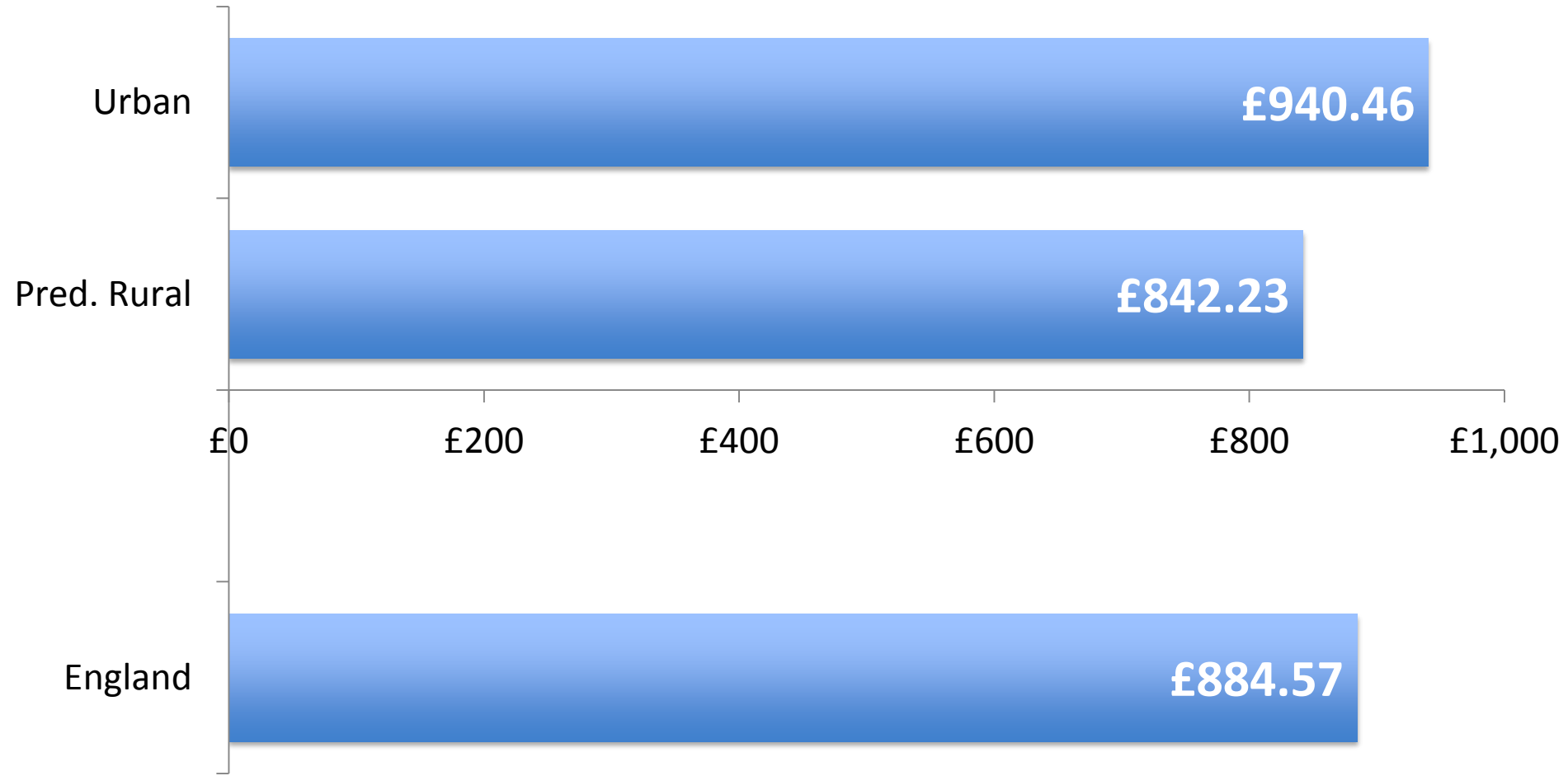


Spending Power Analysis

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 ... but ...
4. Has Efficiency Support for Services in Sparse Areas (ESSSA) bridged the gap between rural and urban ??
... and ...
5. Has the gap got wider with the 2013/14 Settlement ??

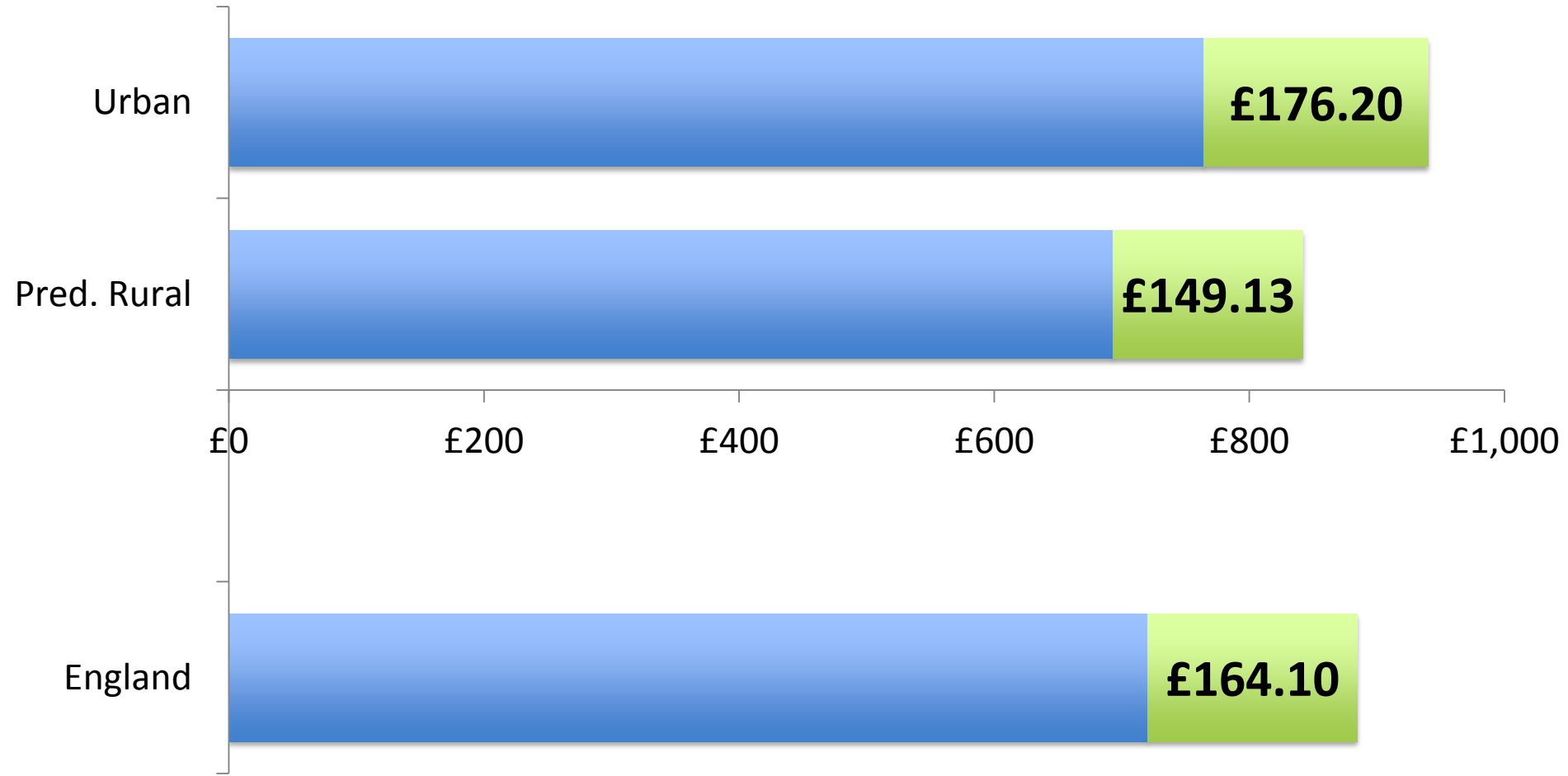
Spending Power per Head

All Local Authorities (excluding fire authorities and GLA)



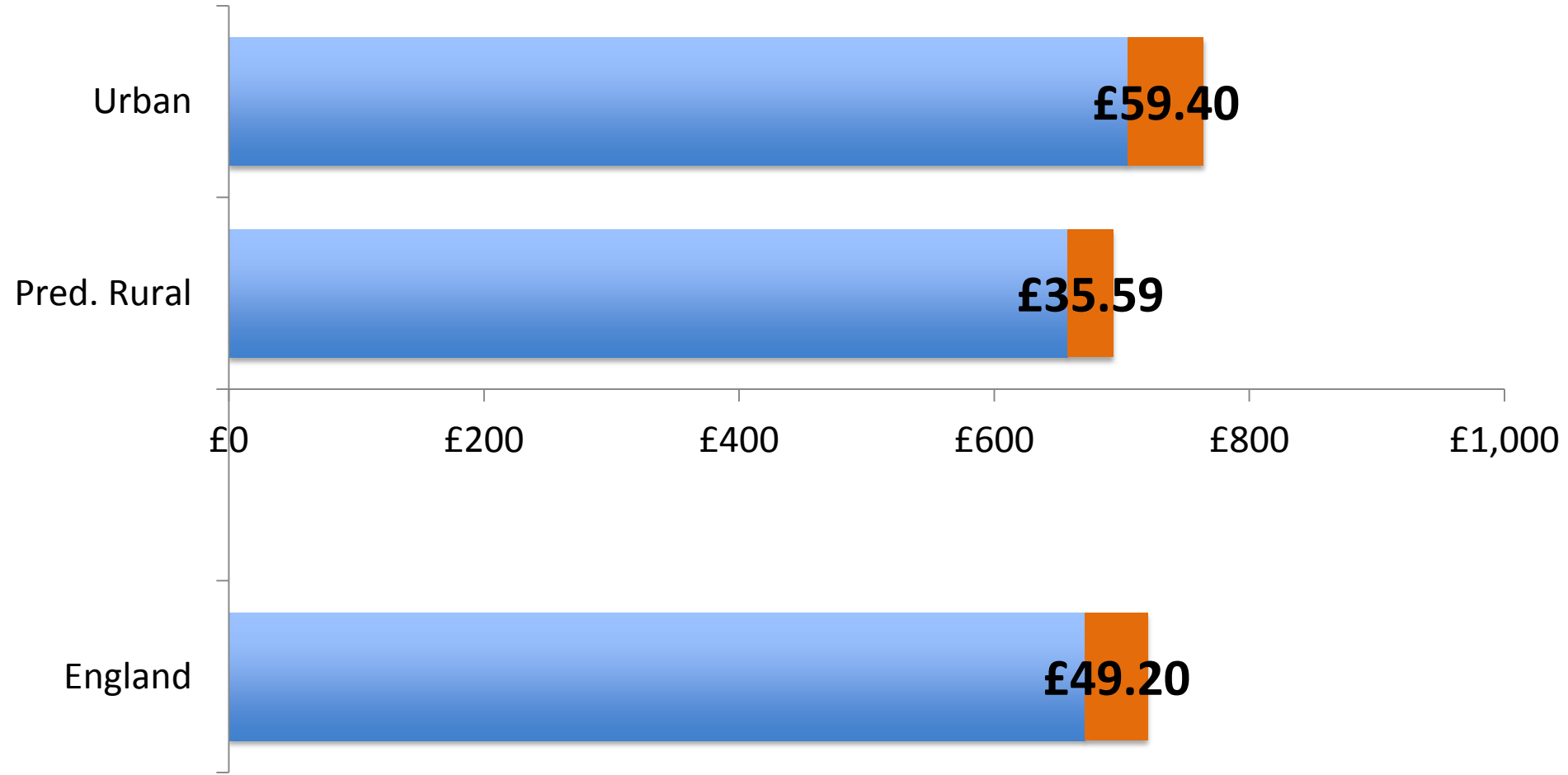
Spending Power per Head

Other Grants Shown In Green



Spending Power per Head

Public Health Grant shown in Orange



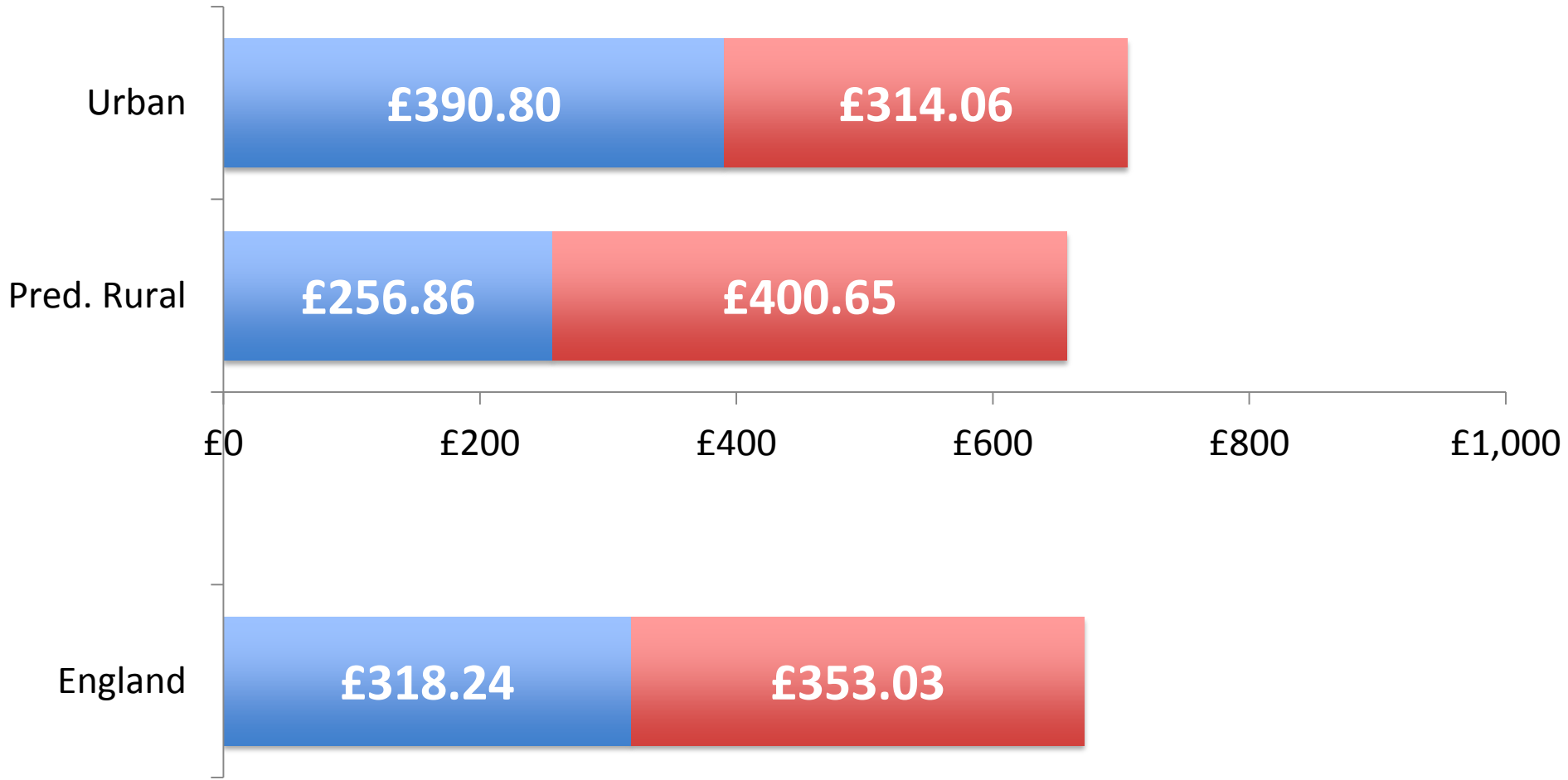
Spending Power per Head

From Formula Grant and Council Tax

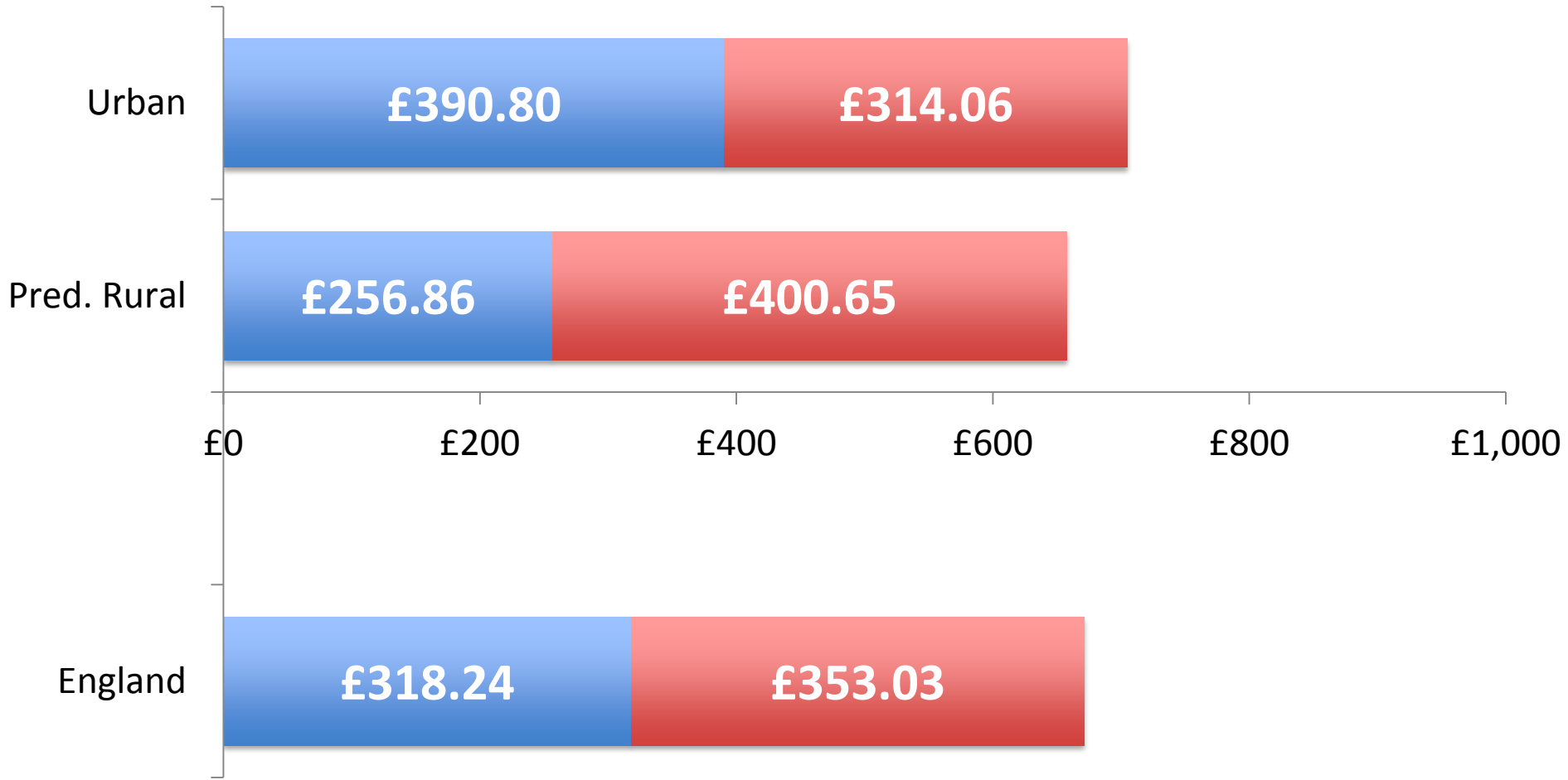


Spending Power per Head

Council Tax is shown in Red, Formula Grant in Blue



Council Tax is significantly higher per head in rural areas (by about £85)



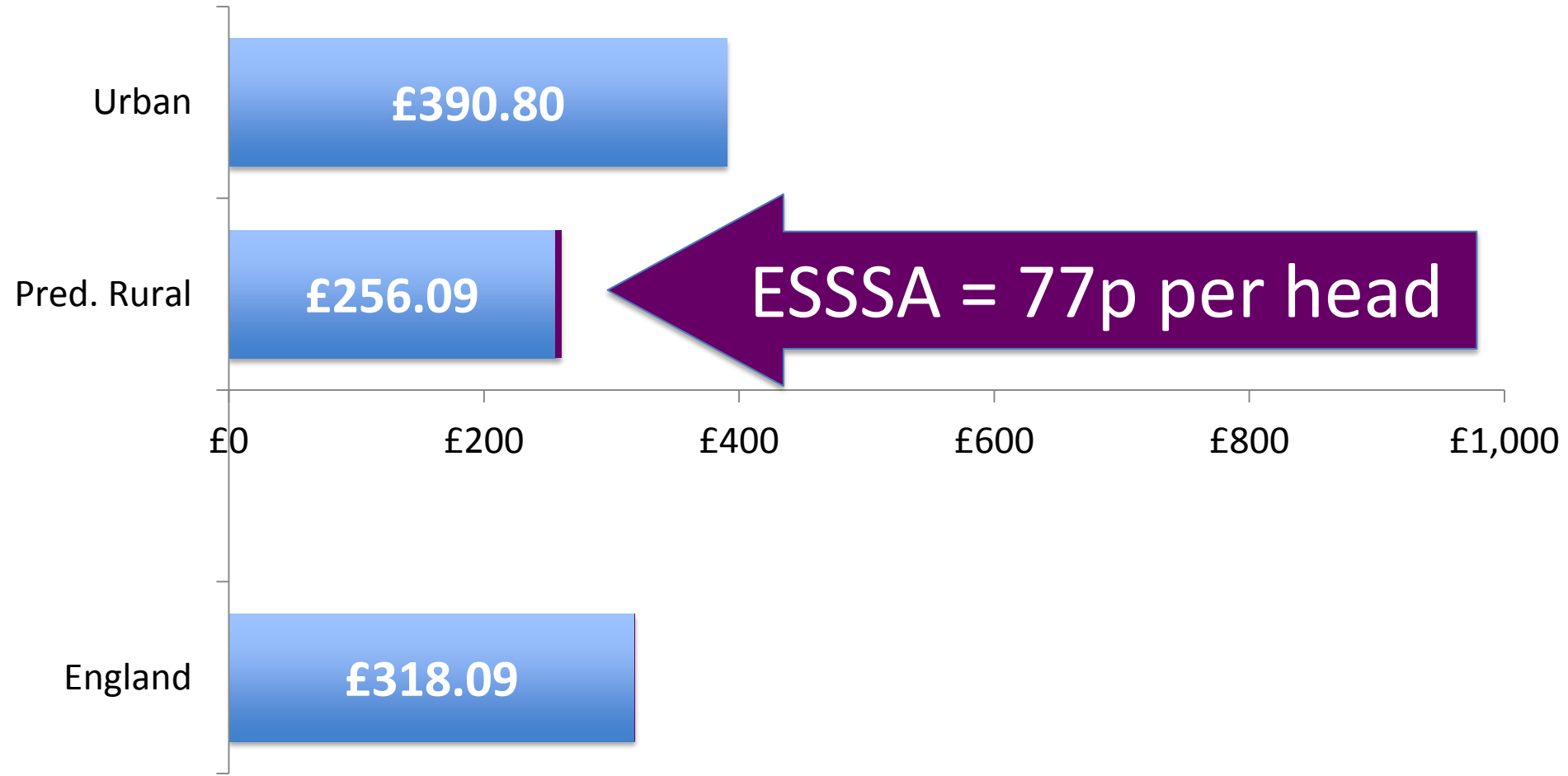
Spending Power per Head

ESSSA shown in purple

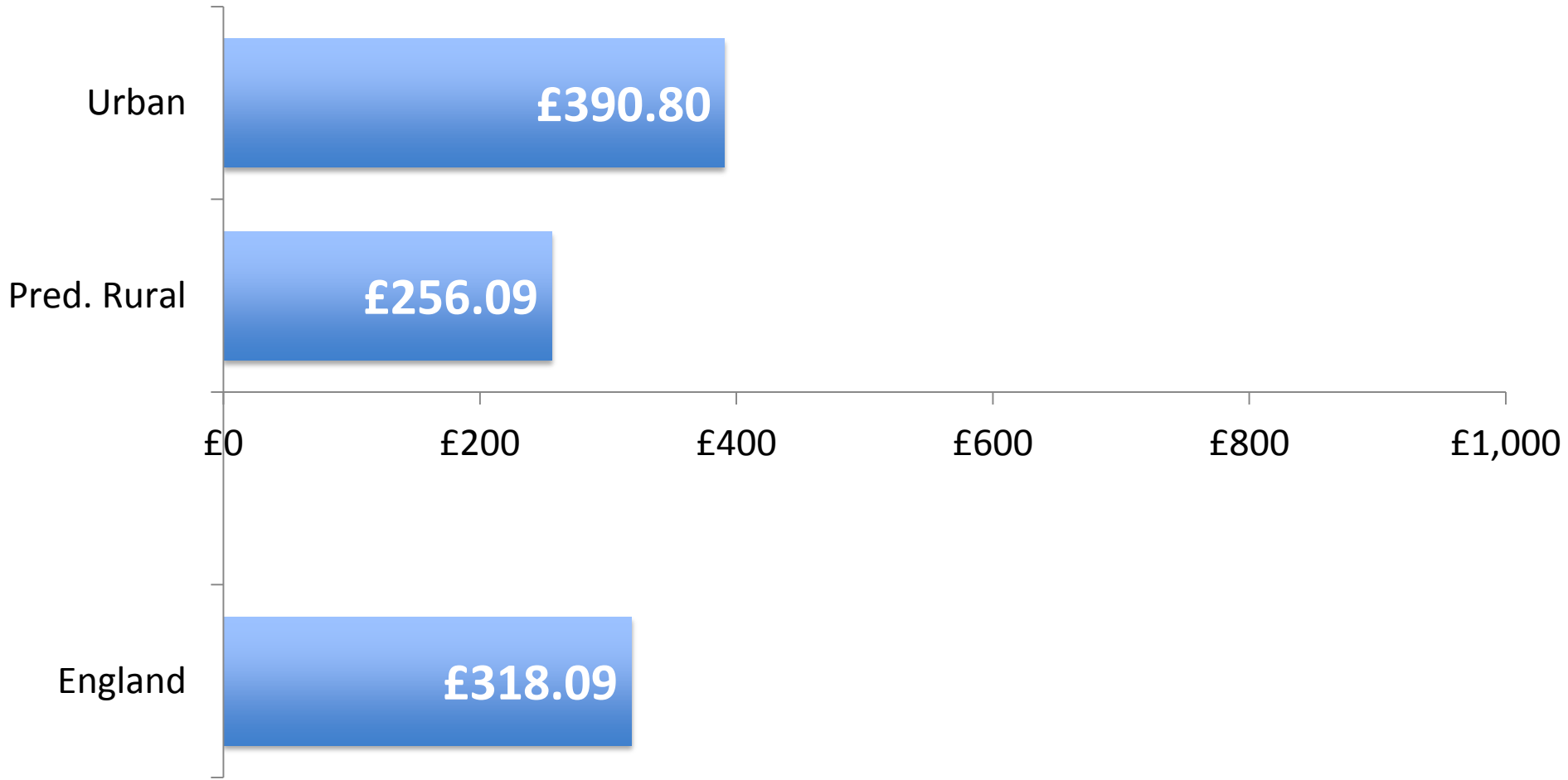


Spending Power per Head

ESSSA shown in purple

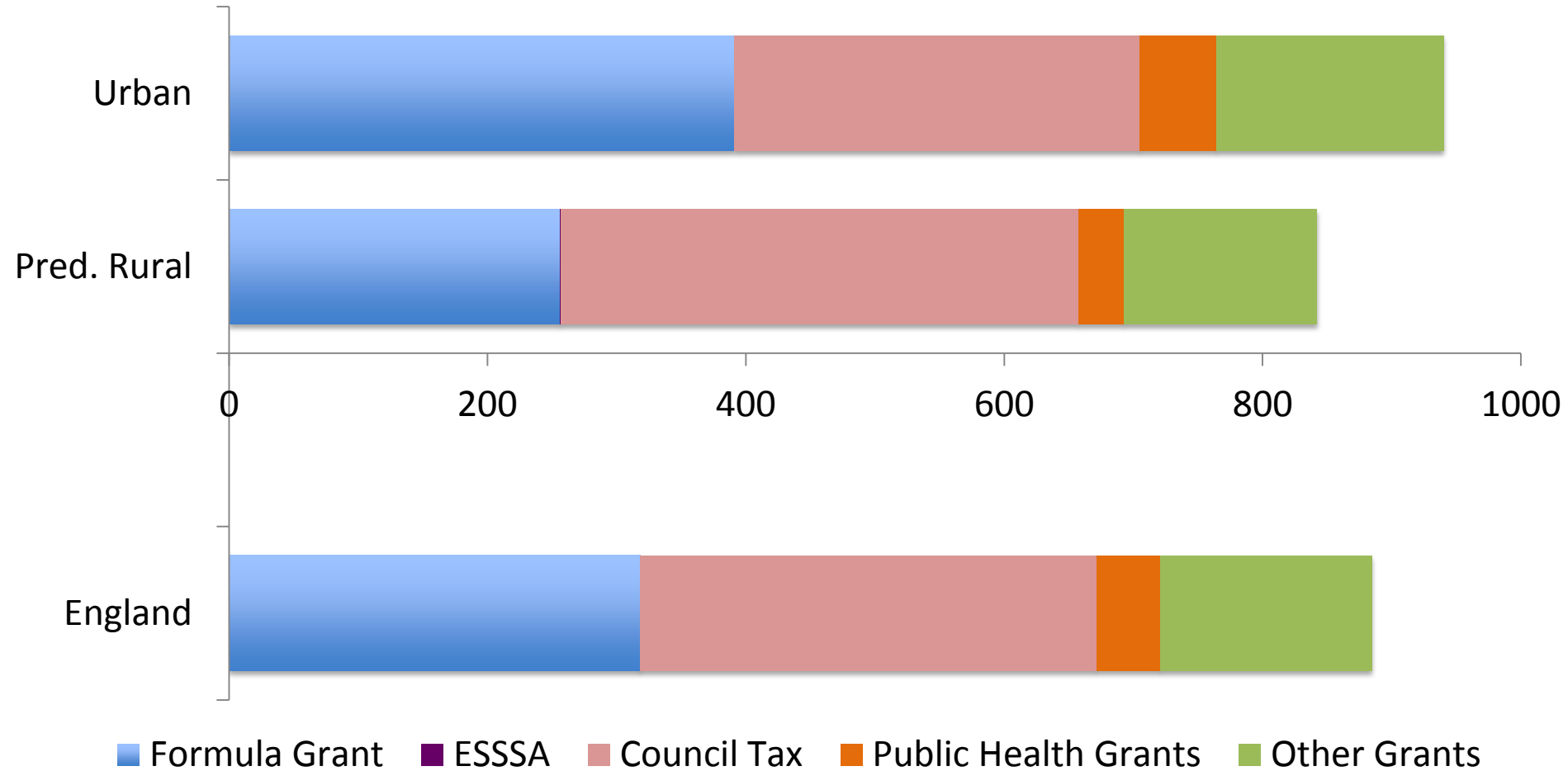


Formula Grant is considerably lower per head in rural areas than urban areas (by about £135)



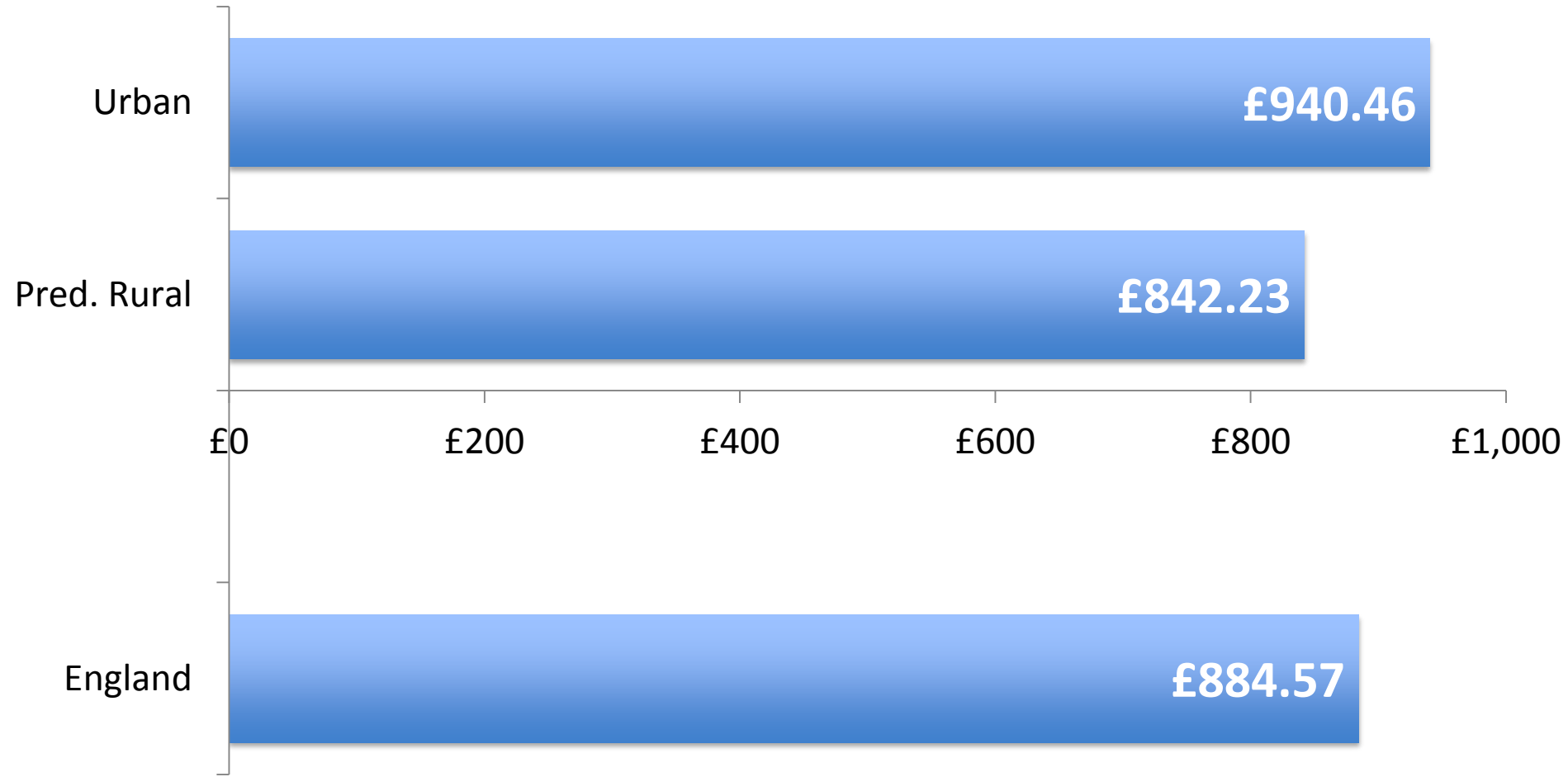
Spending Power Per Head

All Local Authorities (excluding fire authorities and GLA)



Spending Power per Head

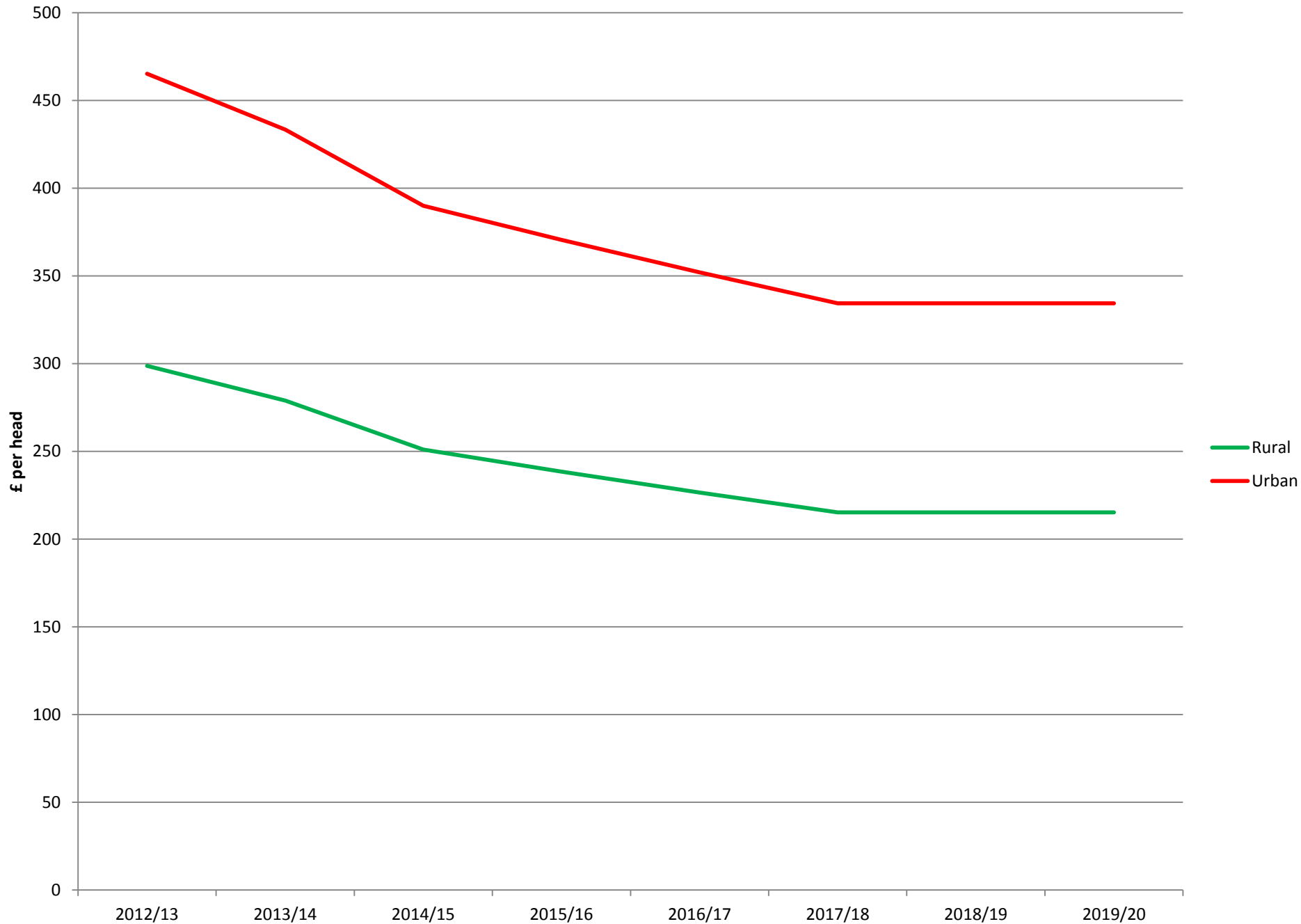
All Local Authorities (excluding fire authorities and GLA)



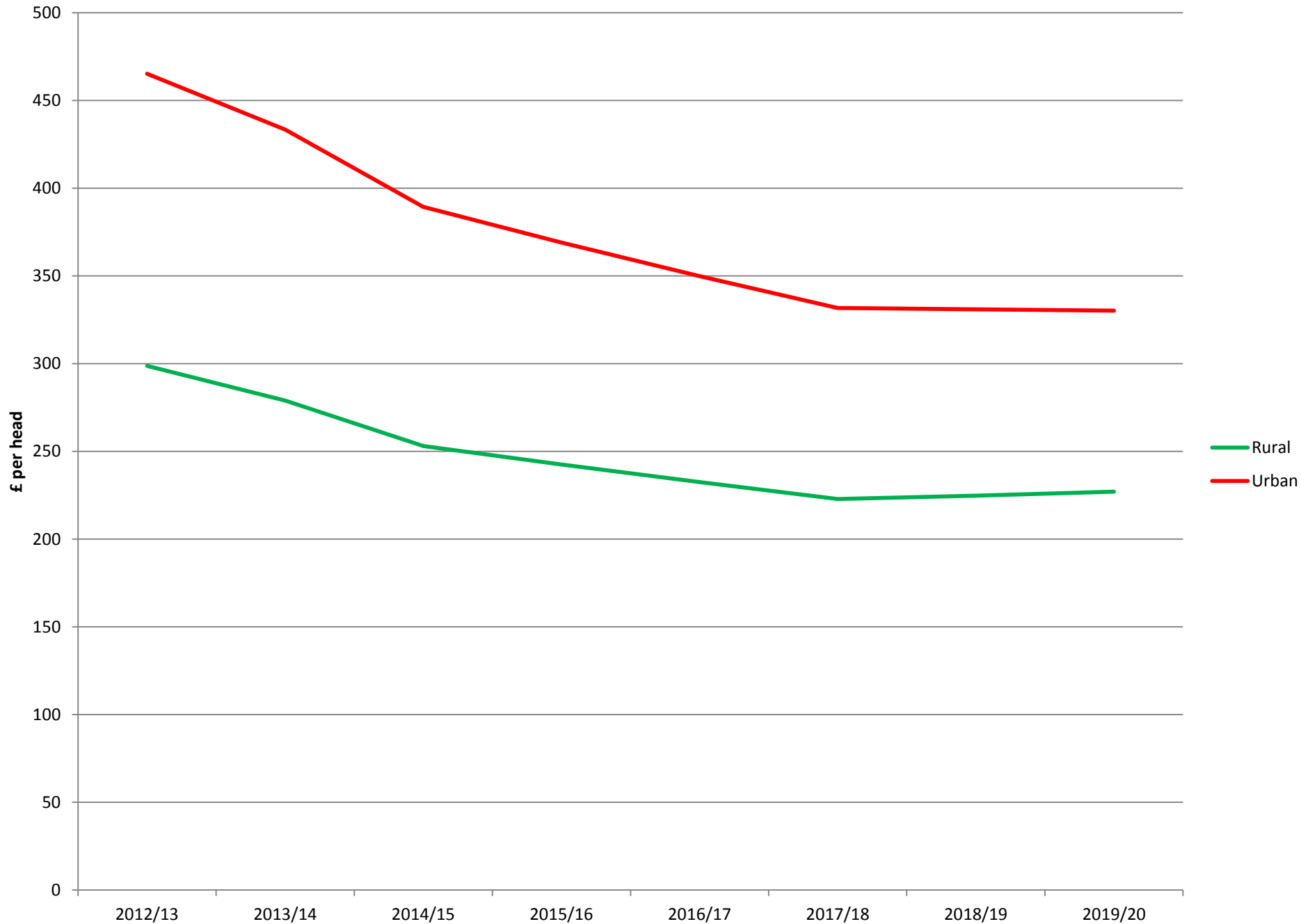
Has the gap got wider?

	Predominantly Rural	Predominantly Urban
Cash	-5.58%	-3.54%
Per Head	-6.05%	-6.55%
Per Dwelling	-4.97%	-2.95%

Formula Funding to 2019/20



Closing The Gap



Plus Points

- Relatively small amounts
- Government composition

Minus Points

- Little or no evidence...
- ...and no chance of getting much
- No re-distribution until 2020?
- Terrible prognosis for some urbans

Options

- Unwind damping
- Increase sparsity elements of formulae again
- Reduce density element of EPCS
- Grant from DCLG programme underspends

The Plan?

- Ask to close gap by c.1.5% per year until 2020
- Density element of EPCS best target
- Damping will need to unwind
- Expanded ESSSA as fall-back (starting 14/15)

Achieving the Plan

- Rural authorities need to be involved
- Rural MPs need to continue to make the point to DGLG Ministers and Secretary of State
- Rural Fair Shares Campaign