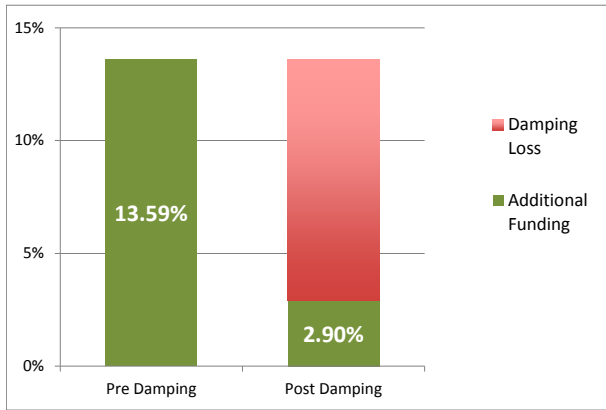


Authority: South Kesteven

Urban Comparator: North East Lincolnshire

Changes to funding attributable to Rural Services Technical Adjustments - Pre and Post Damping

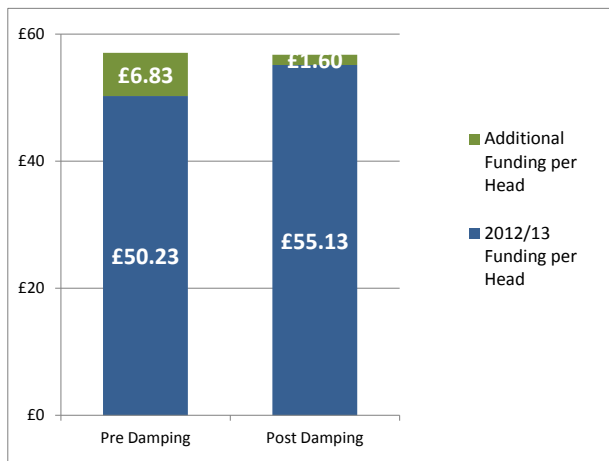


South Kesteven Exemplifications Data

	Pre Damping	Post Damping	Difference
2012/13 Funding	6,713,228	7,368,556	
Impact of Rural Services Adjustment	912,524	213,457	<b>-77%</b>
2012/13 Funding with Adjustment	7,625,752	7,582,013	
<b>Percentage change arising from Rural Services Adjustment</b>	<b>13.59%</b>	<b>2.90%</b>	

The graph and table show that South Kesteven would have had a pre-damping 13.59% increase in funding if the rural services adjustment had been implemented in 2012/13. However, damping would have reduced that gain arising from the rural service technical adjustment to 2.9%. Consequently, damping reduces the impact of the rural services technical adjustment by 77% for South Kesteven.

Impact of the changes attributable to Rural Services Technical Adjustments on Funding - Pre and Post Damping

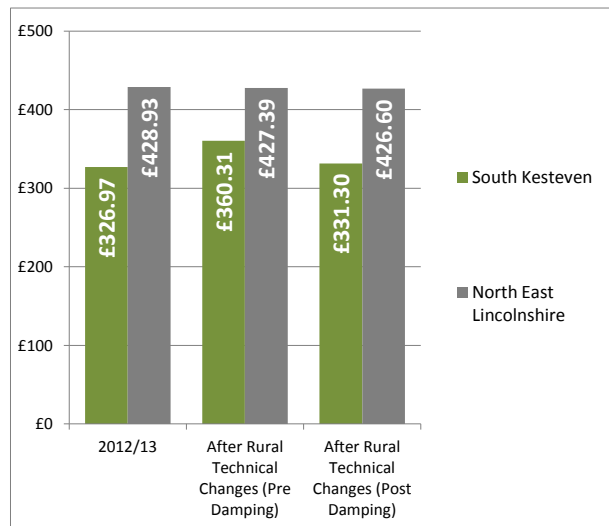


The impact of the **positive** rural services technical adjustment and the subsequent **negative** impact of damping can be seen in this graph.

The pre-damping impact for South Kesteven is a funding gain of £6.83 per head. For this reason, we feel that it is important that South Kesteven supports the rural services technical adjustment in the consultation.

However, the post-damping impact for South Kesteven is a much reduced funding gain of £1.6 per head. For this reason, SPARSE Rural have called on the Government to find a way of ensuring that a greater proportion of the pre-damping gains arising from the rural services technical adjustment are realised as cash funding.

Impact of the changes attributable to Rural Services Technical Adjustments on Funding - Comparison with Nearest Urban Authority - post damping



Comparison of Impact of Technical Changes - South Kesteven v North East Lincolnshire

To provide a comparison, in two tier areas, County and District funding has been added together. So, in order to be comparable with North East Lincolnshire which is a unitary authority South Kesteven's funding per head has been added to that of Lincolnshire County Council.

In 2012/13, South Kesteven received £101.96 less funding per head than North East Lincolnshire.

Prior to damping, the gains attributable to the rural services technical adjustment would have resulted in a closing of the gap between North East Lincolnshire and South Kesteven to £67.07 per head. This is a significant improvement for rural areas and SPARSE Rural has welcomed the changes in the recent Business Rates consultation.

As shown above, the damping block significantly reduces the gains arising from the rural services technical adjustment. After damping the gap in funding between North East Lincolnshire and South Kesteven increases to £95.31 per head.