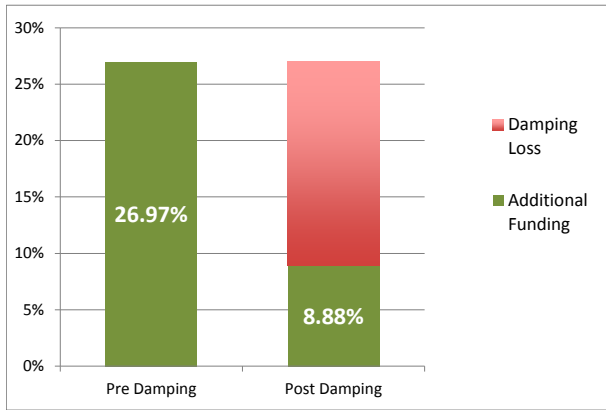


Authority: South Lakeland

Urban Comparator: Newcastle upon Tyne

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

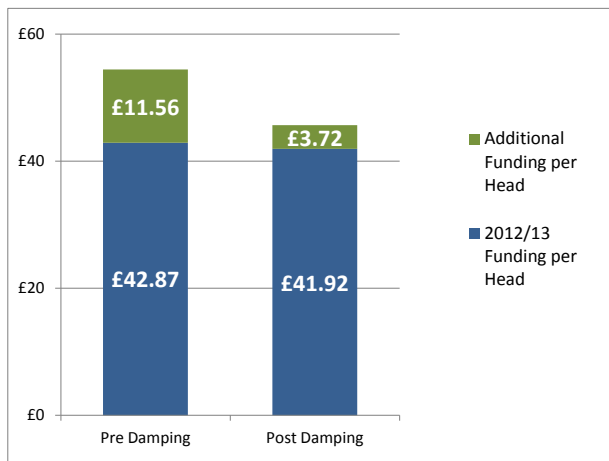


South Lakeland Exemplifications Data

	Pre Damping	Post Damping	Difference
2012/13 Funding	4,479,715	4,380,134	
Impact of Rural Services Adjustment	1,208,061	389,050	-68%
2012/13 Funding with Adjustment	5,687,775	4,769,184	
Percentage change arising from Rural Services Adjustment	26.97%	8.88%	

The graph and table show that South Lakeland would have had a pre-damping 26.97% 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 8.88%. Consequently, damping reduces the impact of the rural services technical adjustment by 68% for South Lakeland.

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

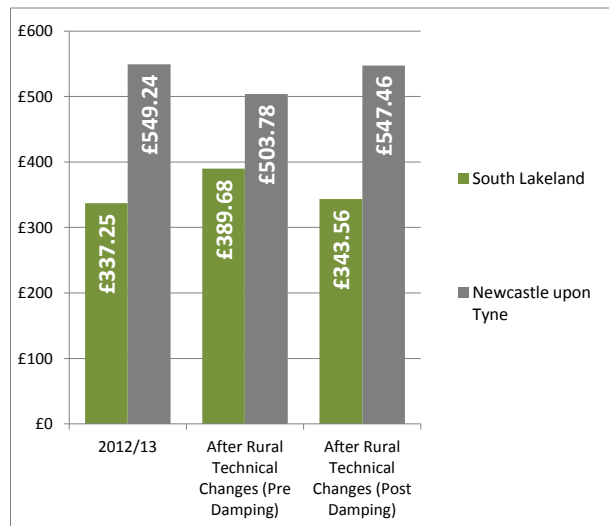


The impact of the **positive** rural services technical adjustment and the subsequent **negative** impact of damping can be seen in this graph.

The pre-damping impact for South Lakeland is a funding gain of £11.56 per head. For this reason, we feel that it is important that South Lakeland supports the rural services technical adjustment in the consultation.

However, the post-damping impact for South Lakeland is a much reduced funding gain of £3.72 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 Lakeland v Newcastle upon Tyne

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

In 2012/13, South Lakeland received £212 less funding per head than Newcastle upon Tyne.

Prior to damping, the gains attributable to the rural services technical adjustment would have resulted in a closing of the gap between Newcastle upon Tyne and South Lakeland to £114.09 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 Newcastle upon Tyne and South Lakeland increases to £203.9 per head.