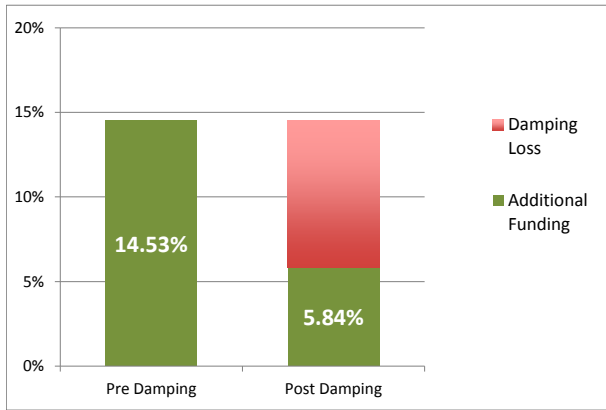


Authority: South Somerset

Urban Comparator: Bristol

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

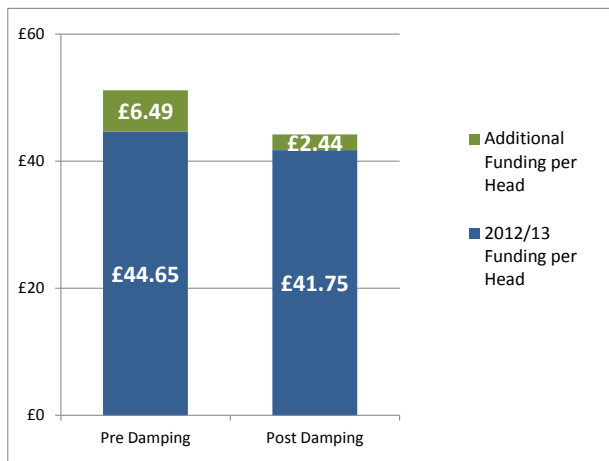


South Somerset Exemplifications Data

	Pre Damping	Post Damping	Difference
2012/13 Funding	7,285,221	6,811,662	
Impact of Rural Services Adjustment	1,058,896	398,039	-62%
2012/13 Funding with Adjustment	8,344,117	7,209,701	
Percentage change arising from Rural Services Adjustment	14.53%	5.84%	

The graph and table show that South Somerset would have had a pre-damping 14.53% 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 5.84%. Consequently, damping reduces the impact of the rural services technical adjustment by 62% for South Somerset.

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

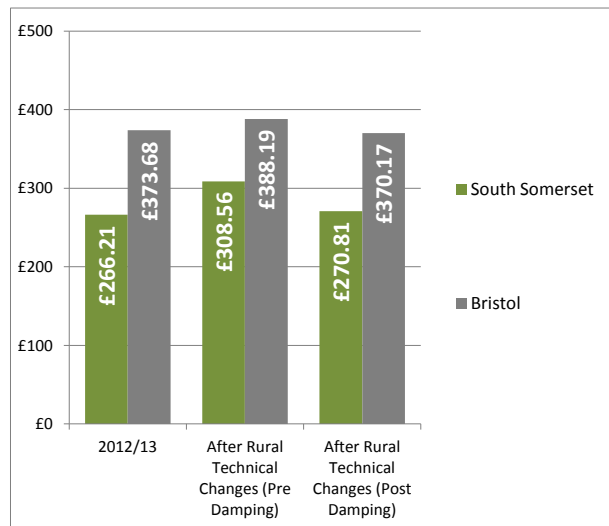


The impact of the **positive** rural services technical adjustment and the subsequent **negative** impact of damping can be seen in this graph.

The pre-damping impact for South Somerset is a funding gain of £6.49 per head. For this reason, we feel that it is important that South Somerset supports the rural services technical adjustment in the consultation.

However, the post-damping impact for South Somerset is a much reduced funding gain of £2.44 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 Somerset v Bristol

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

In 2012/13, South Somerset received £107.47 less funding per head than Bristol.

Prior to damping, the gains attributable to the rural services technical adjustment would have resulted in a closing of the gap between Bristol and South Somerset to £79.63 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 Bristol and South Somerset increases to £99.36 per head.