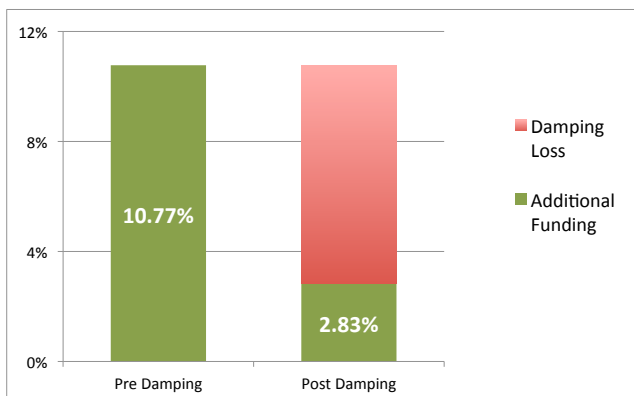


Analysis of Rural Services Technical Adjustments Exemplifications in DCLG Business Rates Localisation Consultation

Authority: Herefordshire

Urban Comparator: Bristol

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

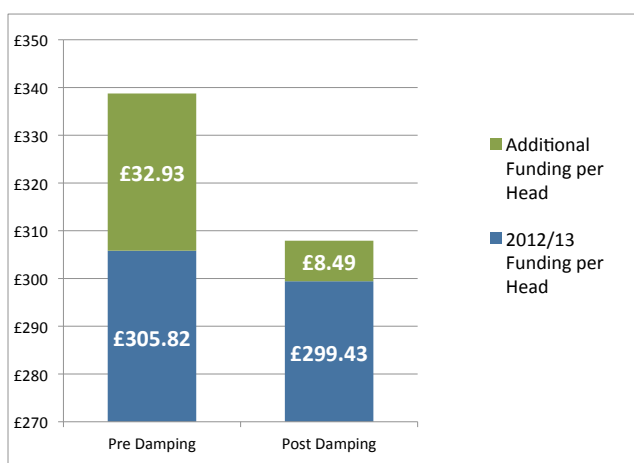


Herefordshire Exemplifications Data

	Pre Damping	Post Damping	Difference
2012/13 Funding	55,625,050	54,462,061	
Impact of Rural Services Adjustment	5,990,142	1,543,446	-74%
2012/13 Funding with Adjustment	61,615,192	56,005,507	
Percentage change arising from Rural Services Adjustment	10.77%	2.83%	

The graph and table show that Herefordshire would have had a pre-damping 10.77% 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 2.83%. Consequently, damping reduces the impact of the rural services technical adjustment by 74% for Herefordshire.

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

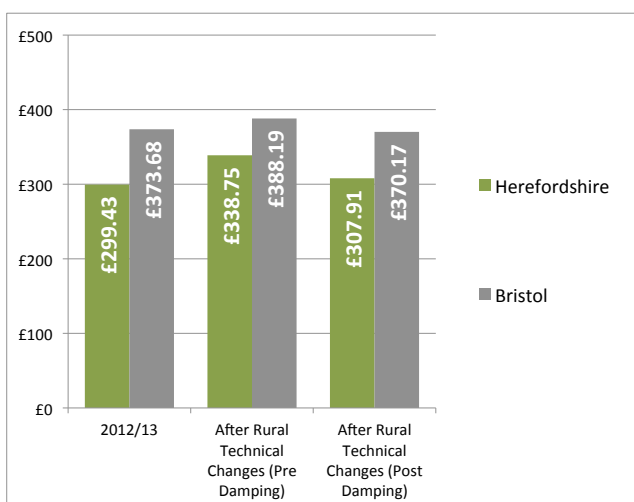


The impact of the **positive** rural services technical adjustment and the subsequent **negative** impact of damping can be seen in this graph.

The pre-damping impact for Herefordshire is a funding gain of £32.93 per head. For this reason, we feel that it is important that Herefordshire supports the rural services technical adjustment in the consultation.

However, the post-damping impact for Herefordshire is a much reduced funding gain of £8.49 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 - Herefordshire v Bristol

In 2012/13, Herefordshire received £74.25 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 Herefordshire to £49.44 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 Herefordshire increases to £62.26 per head.