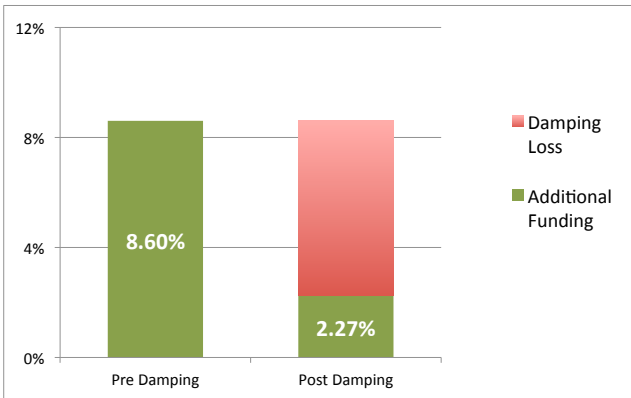


Authority: **Shropshire**

Urban Comparator: **Birmingham**

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

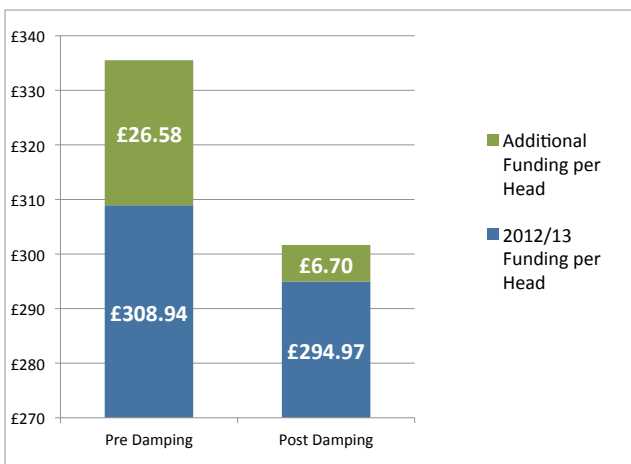


Shropshire Exemplifications Data

	Pre Damping	Post Damping	Difference
2012/13 Funding	91,260,073	87,132,840	
Impact of Rural Services Adjustment	7,851,317	1,978,074	-75%
2012/13 Funding with Adjustment	99,111,390	89,110,914	
Percentage change arising from Rural Services Adjustment	8.60%	2.27%	

The graph and table show that Shropshire would have had a pre-damping 8.6% 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 2.27%. Consequently, damping reduces the impact of the rural services technical adjustment by 75% for Shropshire.

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

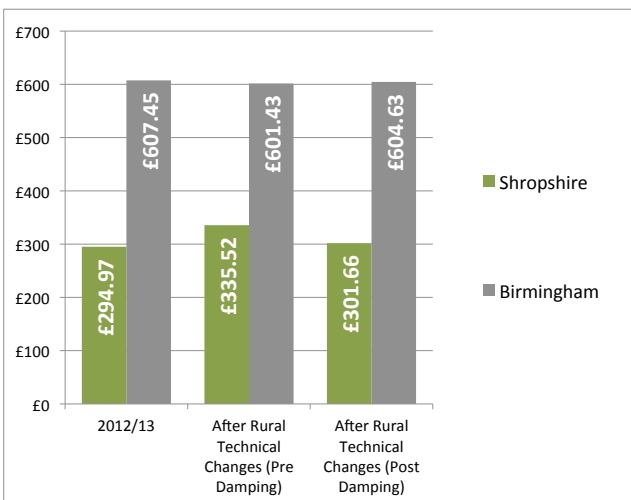


The impact of the **positive** rural services technical adjustment and the subsequent **negative** impact of damping can be seen in this graph.

The pre-damping impact for Shropshire is a funding gain of £26.58 per head. For this reason, we feel that it is important that Shropshire supports the rural services technical adjustment in the consultation.

However, the post-damping impact for Shropshire is a much reduced funding gain of £6.7 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 - Shropshire v Birmingham

In 2012/13, Shropshire received £312.48 less funding per head than Birmingham.

Prior to damping, the gains attributable to the rural services technical adjustment would have resulted in a closing of the gap between Birmingham and Shropshire to £265.91 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 Birmingham and Shropshire increases to £302.97 per head.