



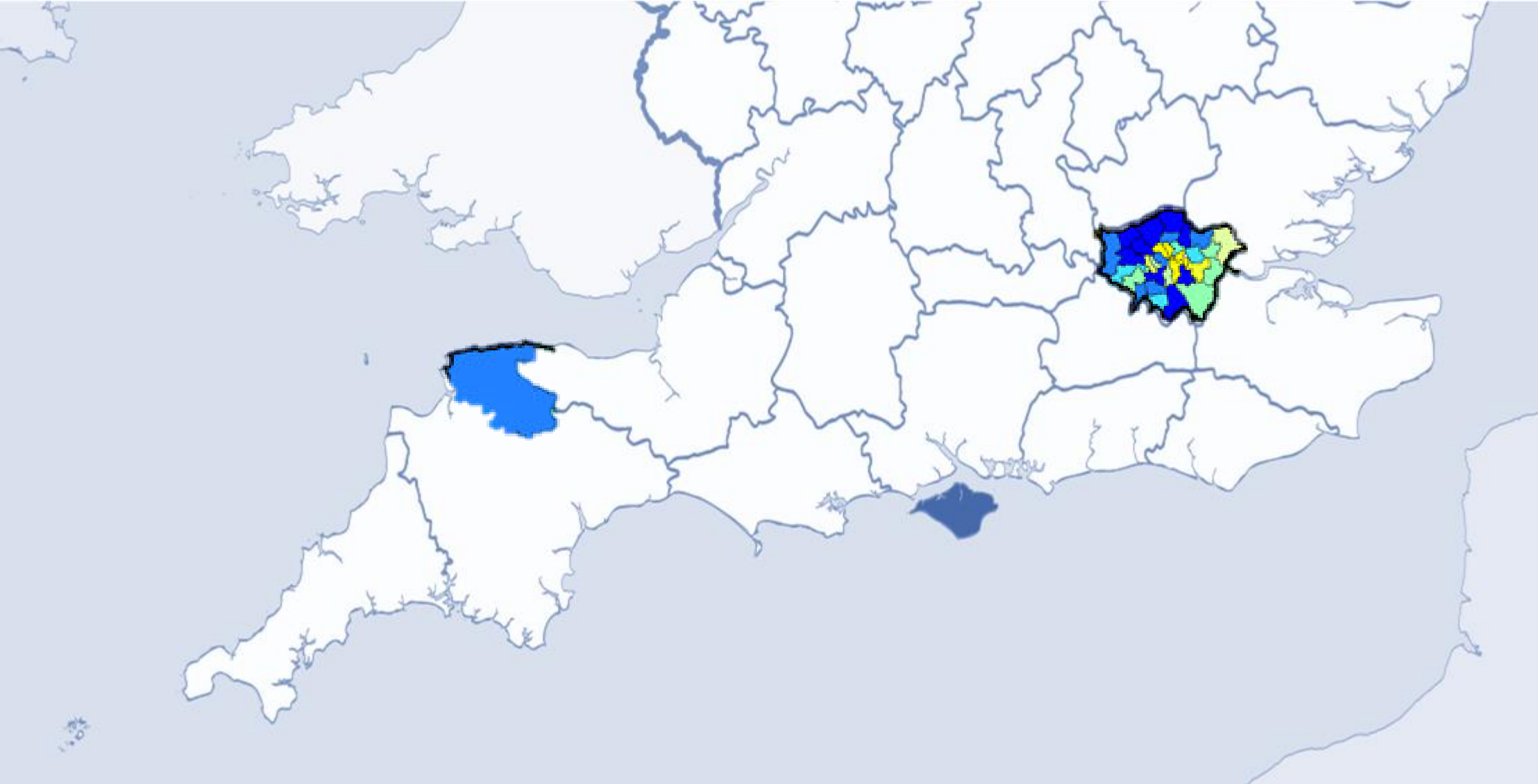
RURAL  
SERVICES  
NETWORK

# The 2014/15 Local Government Settlement

Analysed by rural / urban classification

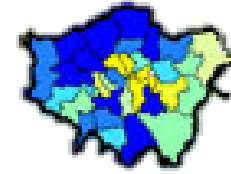
Dan Bates – Financial Analysis Director

# North Devon compared with London





### North Devon



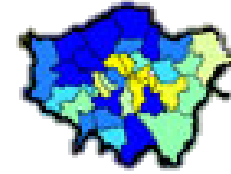
### Greater London

Area	419.3 sq miles	606.95 sq miles
Population	94,000	8,300,000
Population Density	220 per sq mile	13,690 per sq mile
Parliamentary Constituencies	1	74

**North Devon and Devon County Council serve an area that is 70% the size of Greater London but which has 90 times less population.**



### North Devon



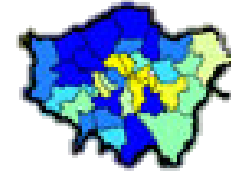
### Greater London

Spending Power per Head	£900.51	£1,001.84
Settlement Funding Assessment per Head	£352.45	£546.67
Other Grants per Head	£79.51	£132.81
Government Funding Spending Power per Head	£431.96	£679.48

**Despite serving such a large area, North Devon and Devon County get less than two thirds of the funding per head than the Greater London Boroughs.**



### North Devon



### Greater London

Council Tax per Head	£468.55	£322.36
Average Weekly Wage	£412.10	£622.70
Band D Council Tax	£1,594	£1,305
Council Tax : Wage ratio	Nearly 4 weeks pay	Just over 2 weeks pay

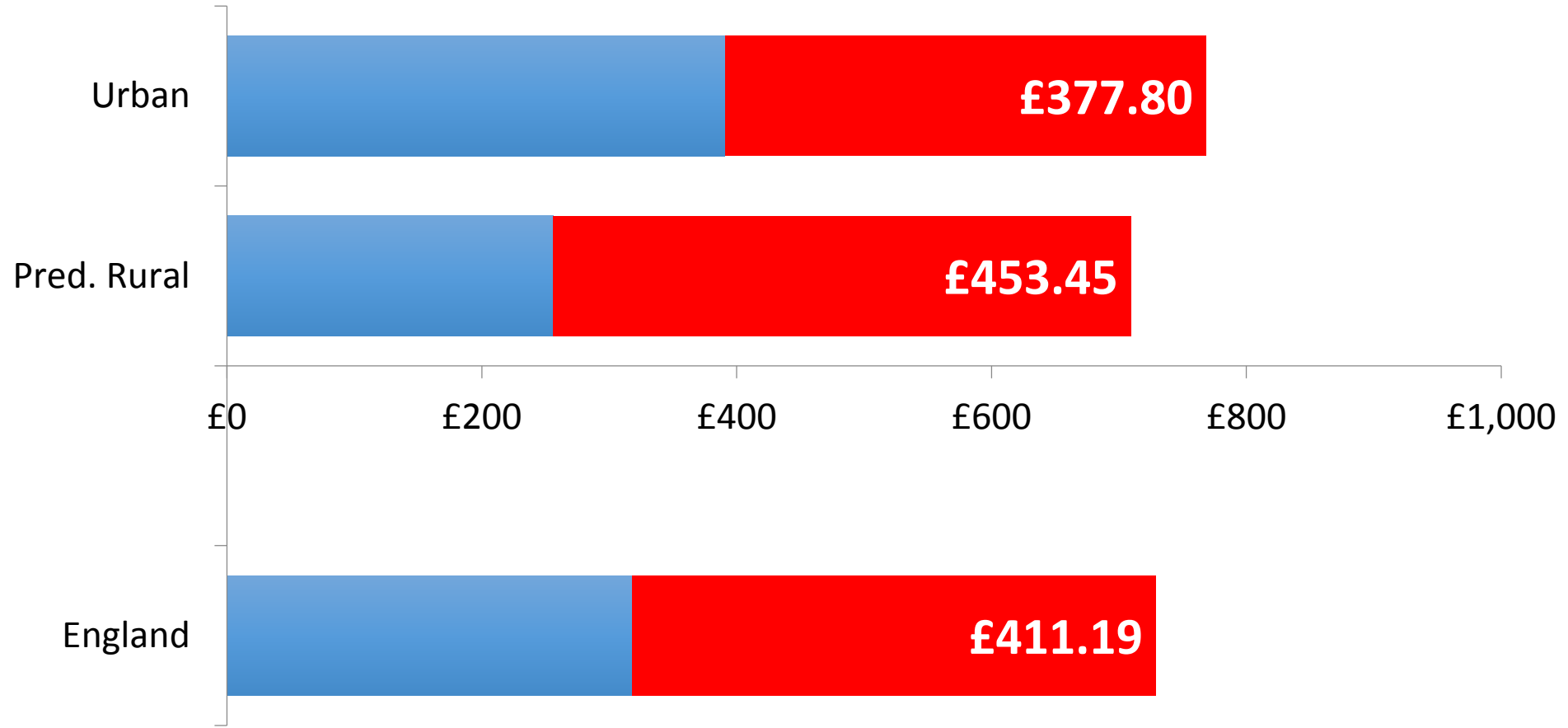
**North Devon residents pay £146 more per head in Council Tax from wages which are only two thirds of those paid to Greater London residents.**

# Spending Power Analysis

1. Spending Power per head is less in rural areas than in urban areas ... **yet** ...
2. Council Tax is much higher per head in rural areas than in urban areas (despite wages being much lower) ... **this is because** ...
3. Formula Grant is considerably lower per head in rural areas than urban areas ... **and** ...

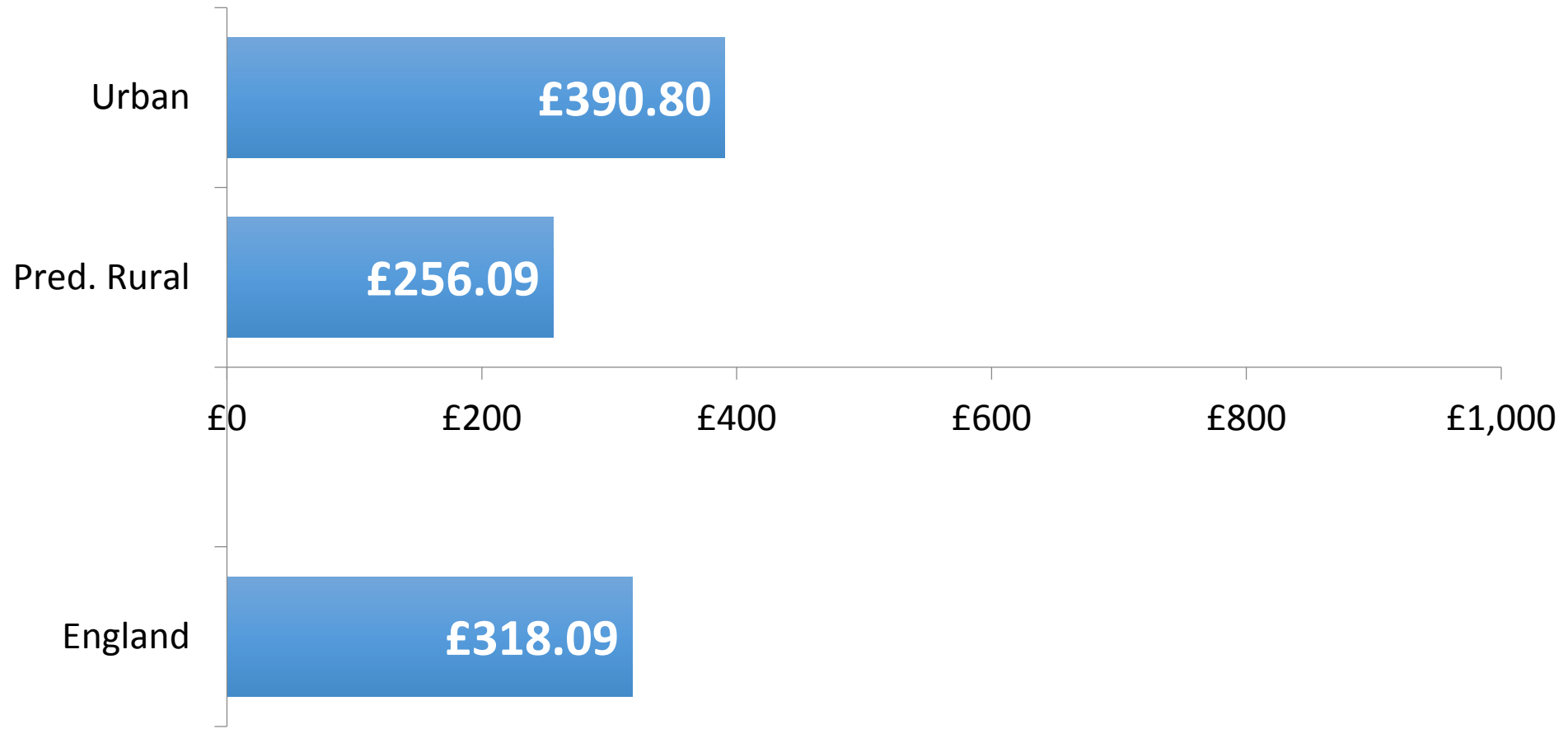
What we said last year

# Council Tax is much higher per head in rural areas than in urban areas (by about £75)





Formula Grant is considerably lower per head in rural areas than urban areas (by about £135)



# Spending Power Analysis

1. Spending Power per head is less in rural areas than in urban areas ... yet ...
2. Council Tax is much higher per head in rural areas than in urban areas ... this is because ...
3. Formula Grant is considerably lower per head in rural areas than urban areas ... and ...
4. The gap has just got wider with the 2013/14 Settlement

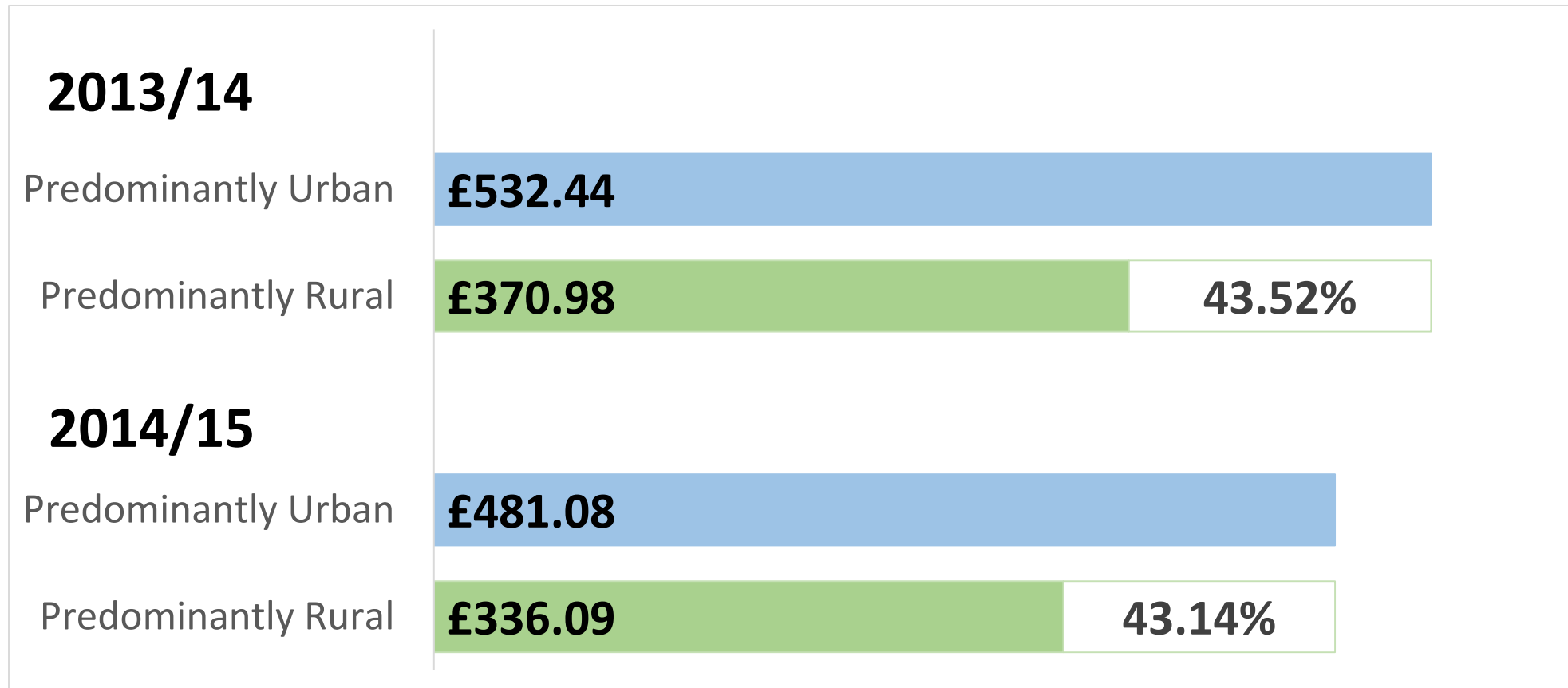
So what has changed?

# Not a lot ..... !

- ESSSA is now £9.5m – Government will claim a 10% increase but hasn't really changed at all!
  - ESSSA is now part of SFA
- 1. ESSSA is worth 91p per head on average**
  - 2. But the gap in SFA is £145**
- Formula Grant has been hidden – SFA the new currency!
- 3. Equal cuts to SFA in urban and rural – the gap is virtually the same!**
  - 4. So Council Tax still significantly higher in rural areas (about £87 per head)**

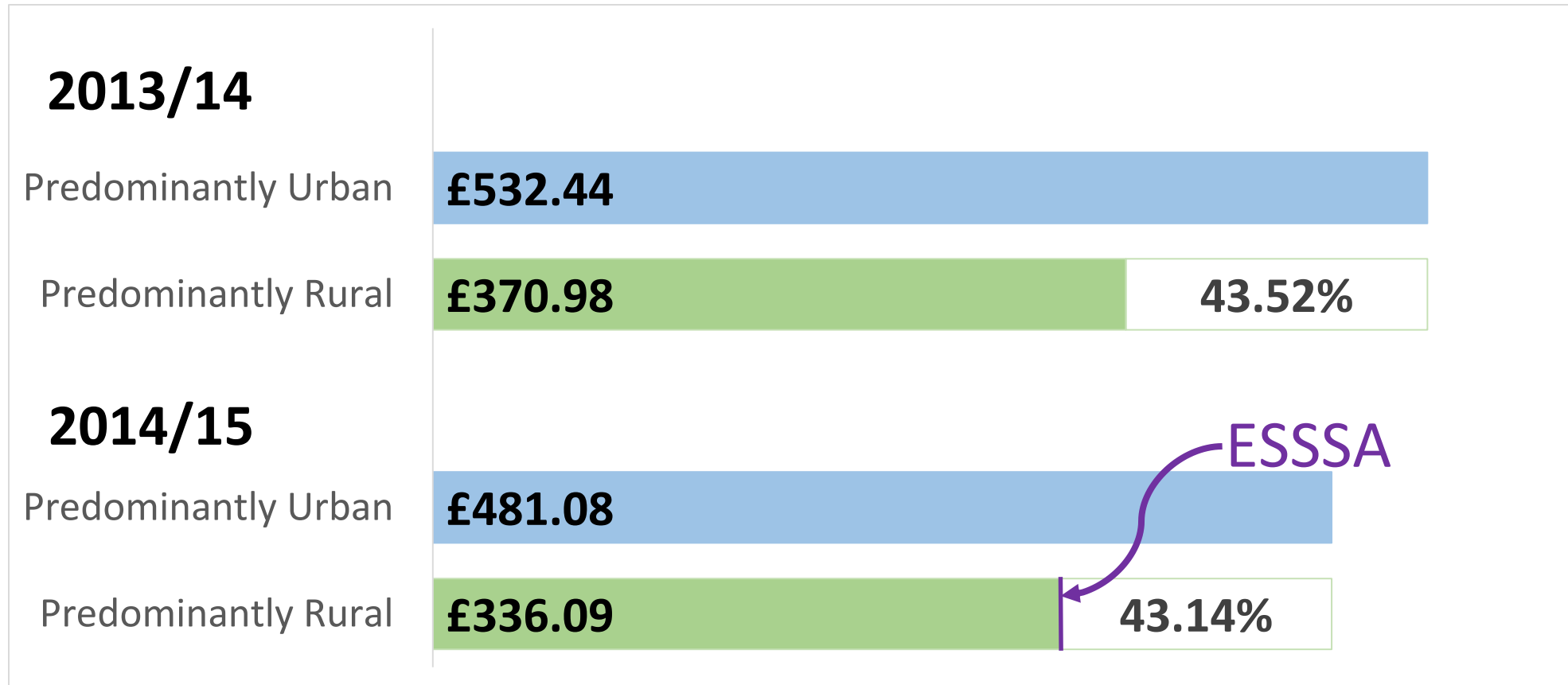
With SFA cuts being roughly equal for all authorities, the gap in SFA is barely changed

## SFA – Urban v Rural – 13/14 and 14/15



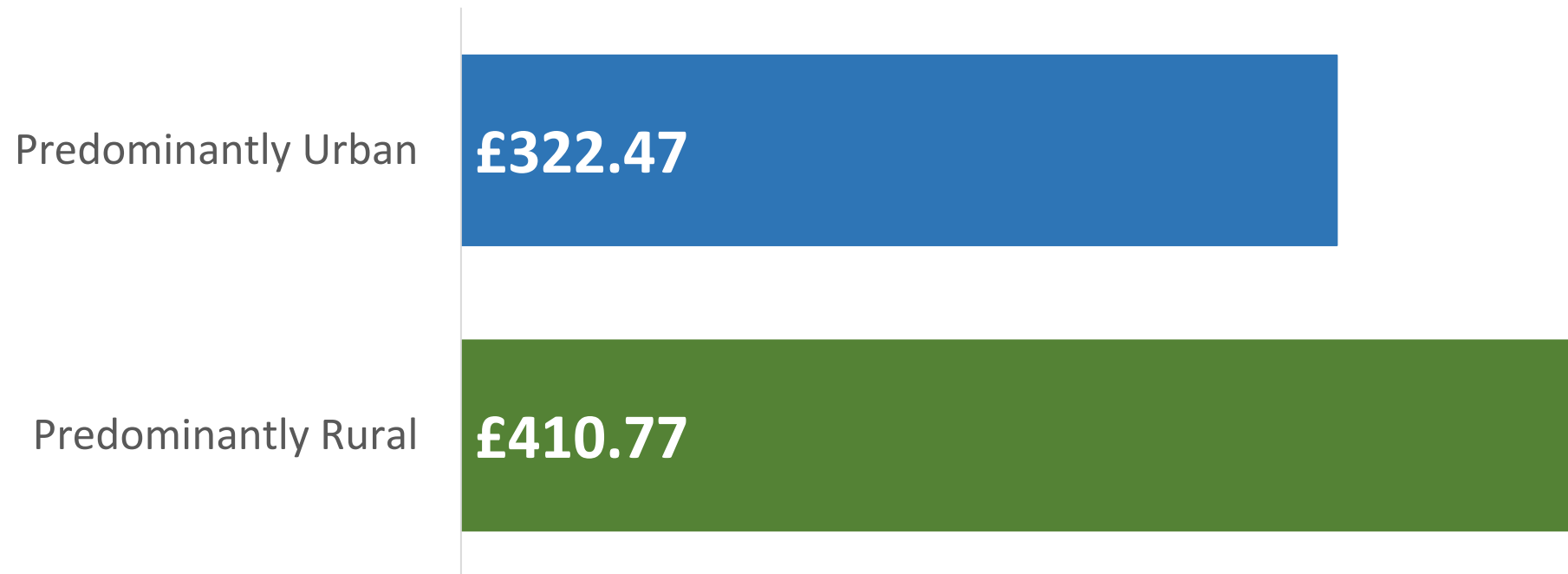
# And ESSSA is worth 86p on average!!!

SFA – Urban v Rural – 13/14 and 14/15 with ESSSA



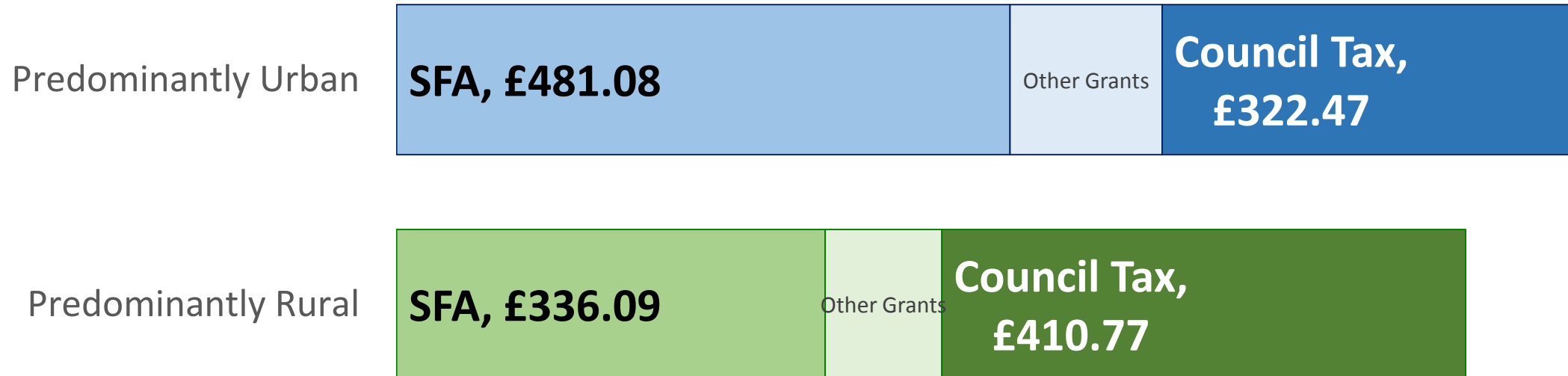
# Council Tax is still £87 per head more in rural areas

## Council Tax – Average per Head – 2014/15



So for most rural areas, you still pay more in Council Tax, from lower incomes, to receive less in Spending Power!

## Spending Power – Urban v Rural – 2014/15





# Spending Power Analysis – 2013/14

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# Spending Power Analysis – 2014/15

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# So has the campaign been successful?

Partially

1. Rural Services Grant in SFA formula
  2. Extra £2m announced at final settlement
  3. DEFRA/DCLG study on cost of serving rural areas
- Positive direction of travel but slow!
  - Largely thanks to partnership of local people, local councils and Rural MPs