

Review of Spending Power figures for 2011/12

Comparison between Urban and
Rural

Spending Power Figures 2010/11

- 'Spending Power' is the new currency
- Figures take from the Communities Website
- They cover Government Funding and Council Tax, the two main sources of income which make up budget requirement
- Analysed by Predominantly Rural and Predominantly Urban resident
- But also Significant Rural

The Four Block Model

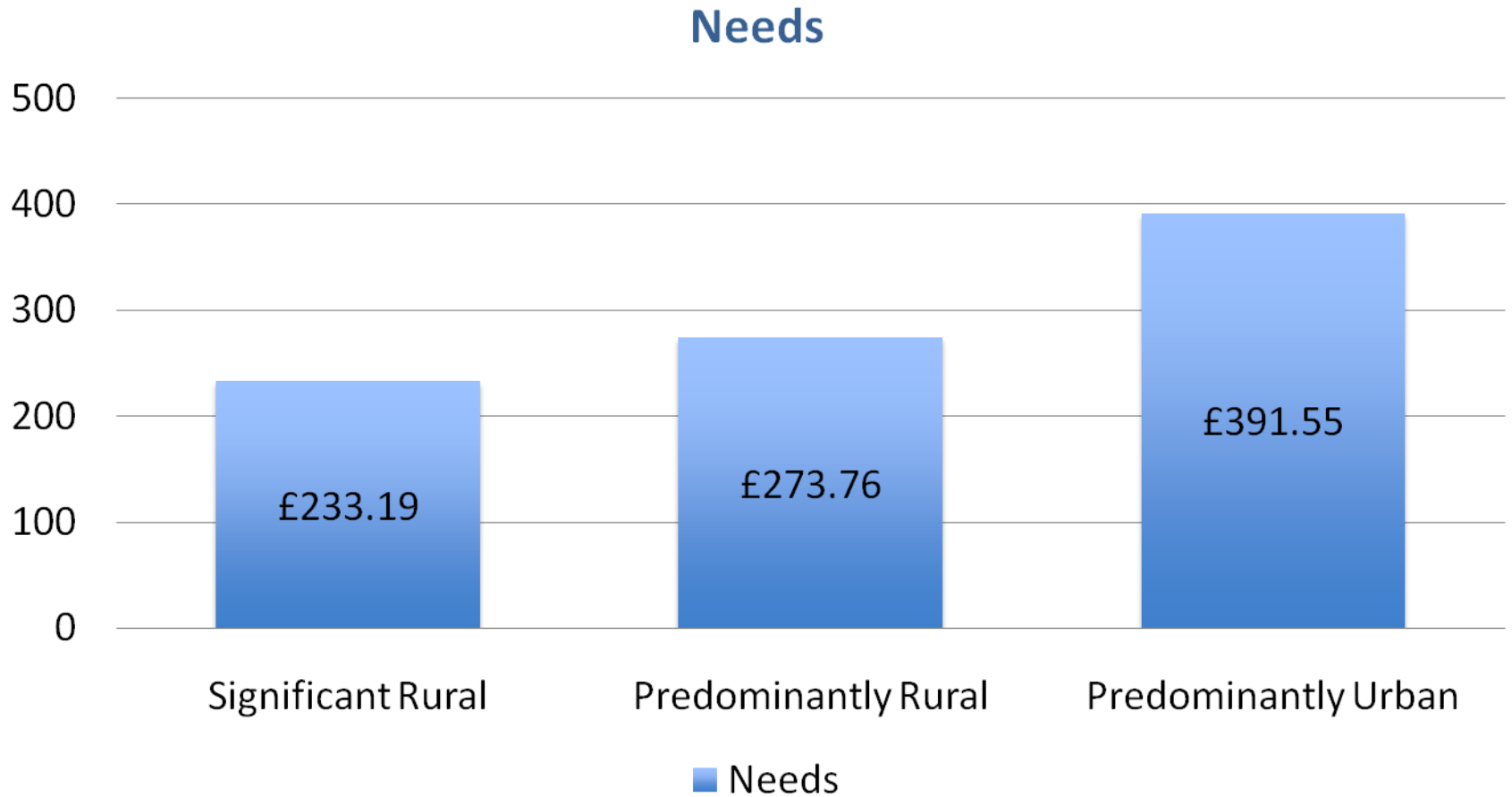
- Needs
- Resources
- Central Allocation
- Damping aka 'Floors and Ceilings'

- Rolled-in Grants

- Other Grants

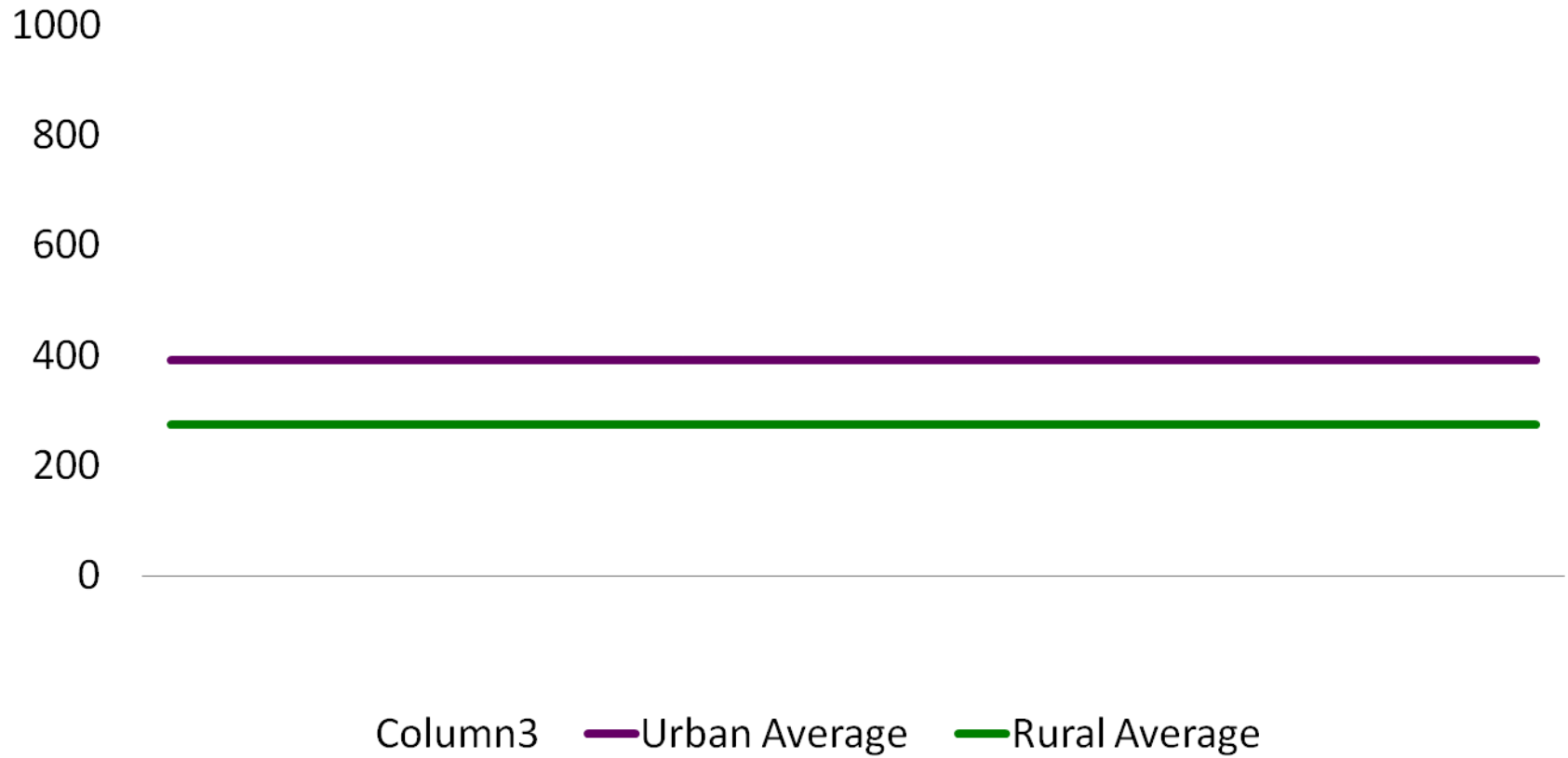
- Council Tax

£118 more per head provided to meet 'needs' in urban areas than in rural areas BUT ...

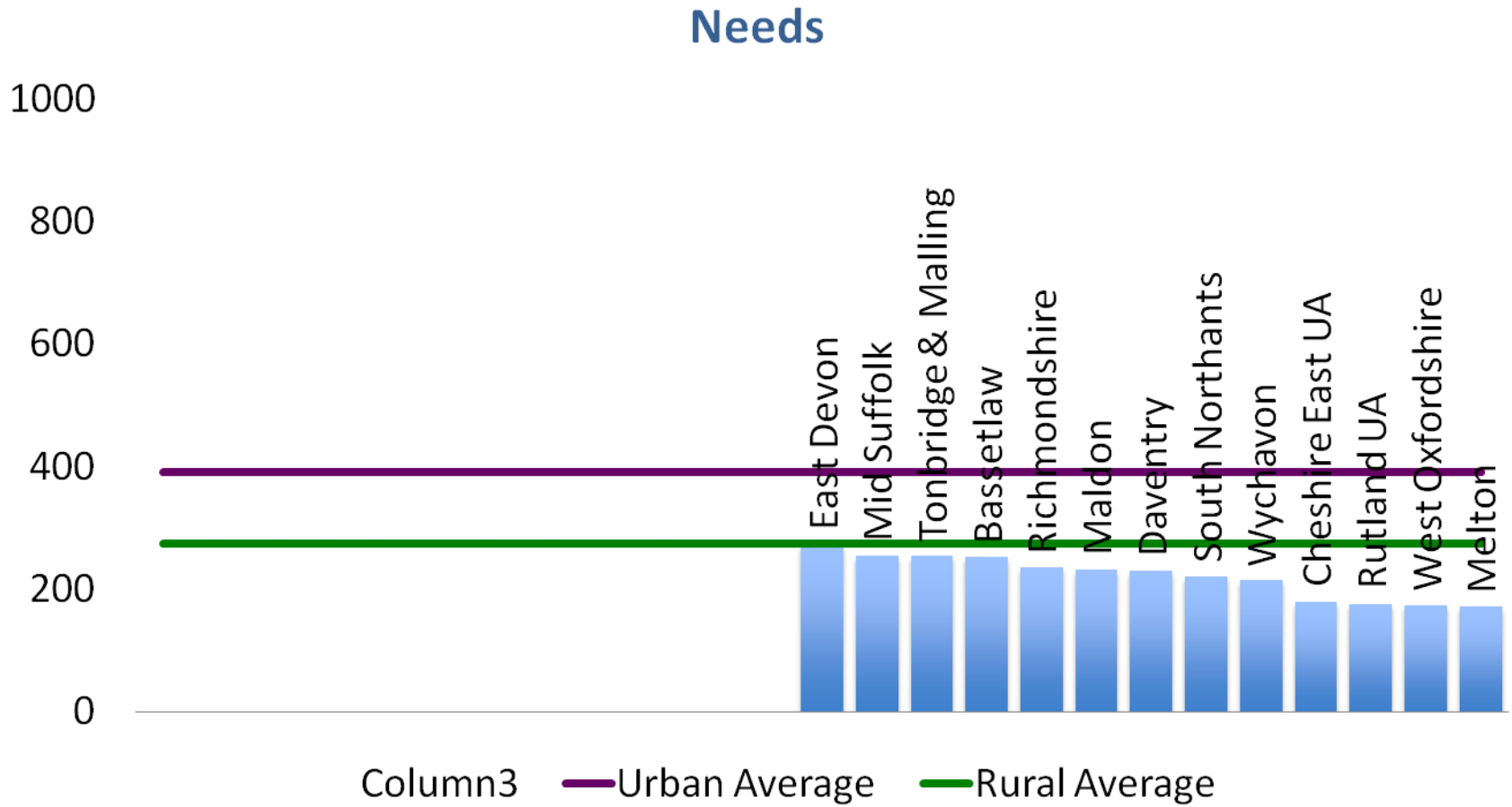


... massive differentials between individual authorities

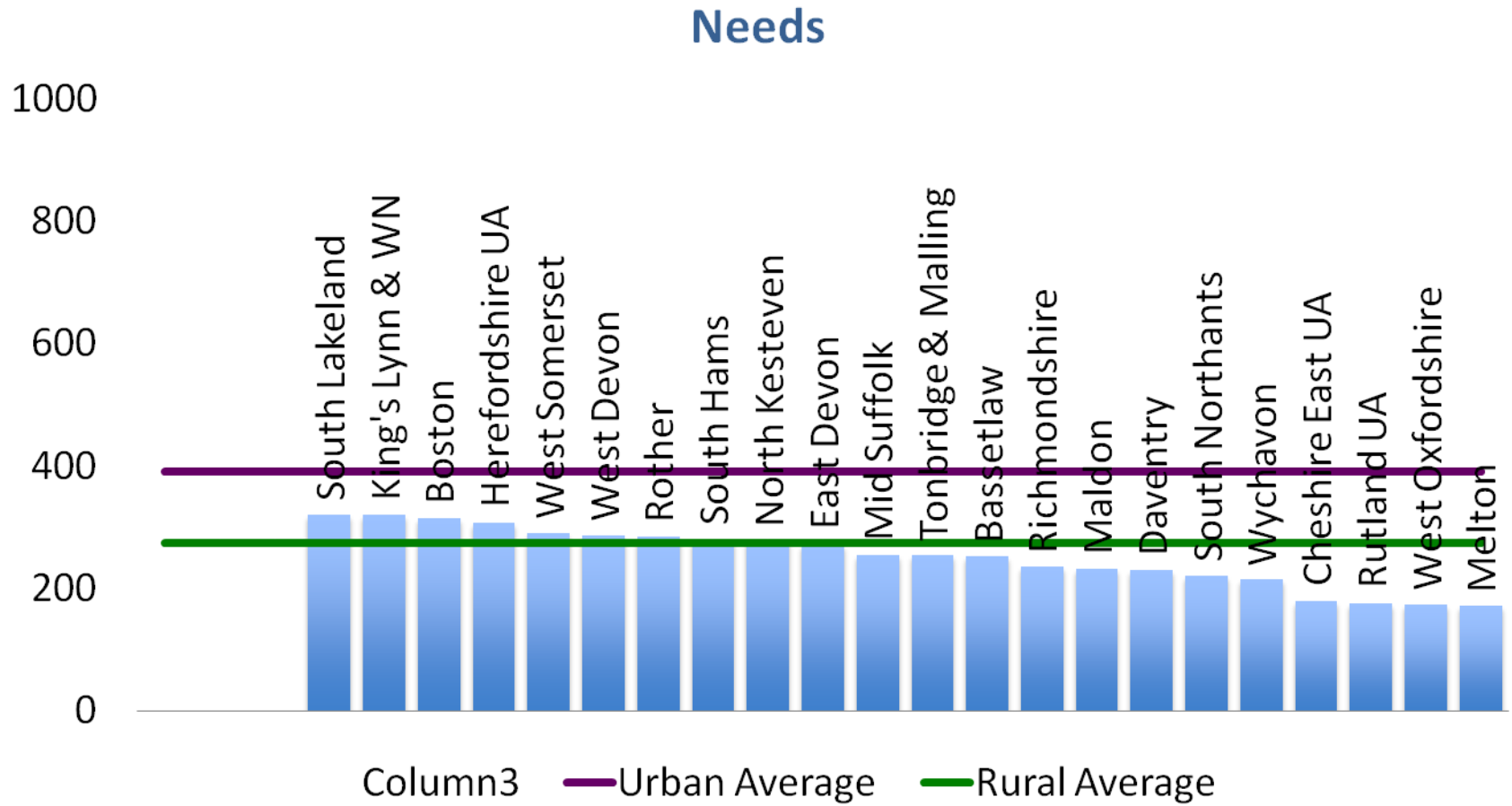
Needs



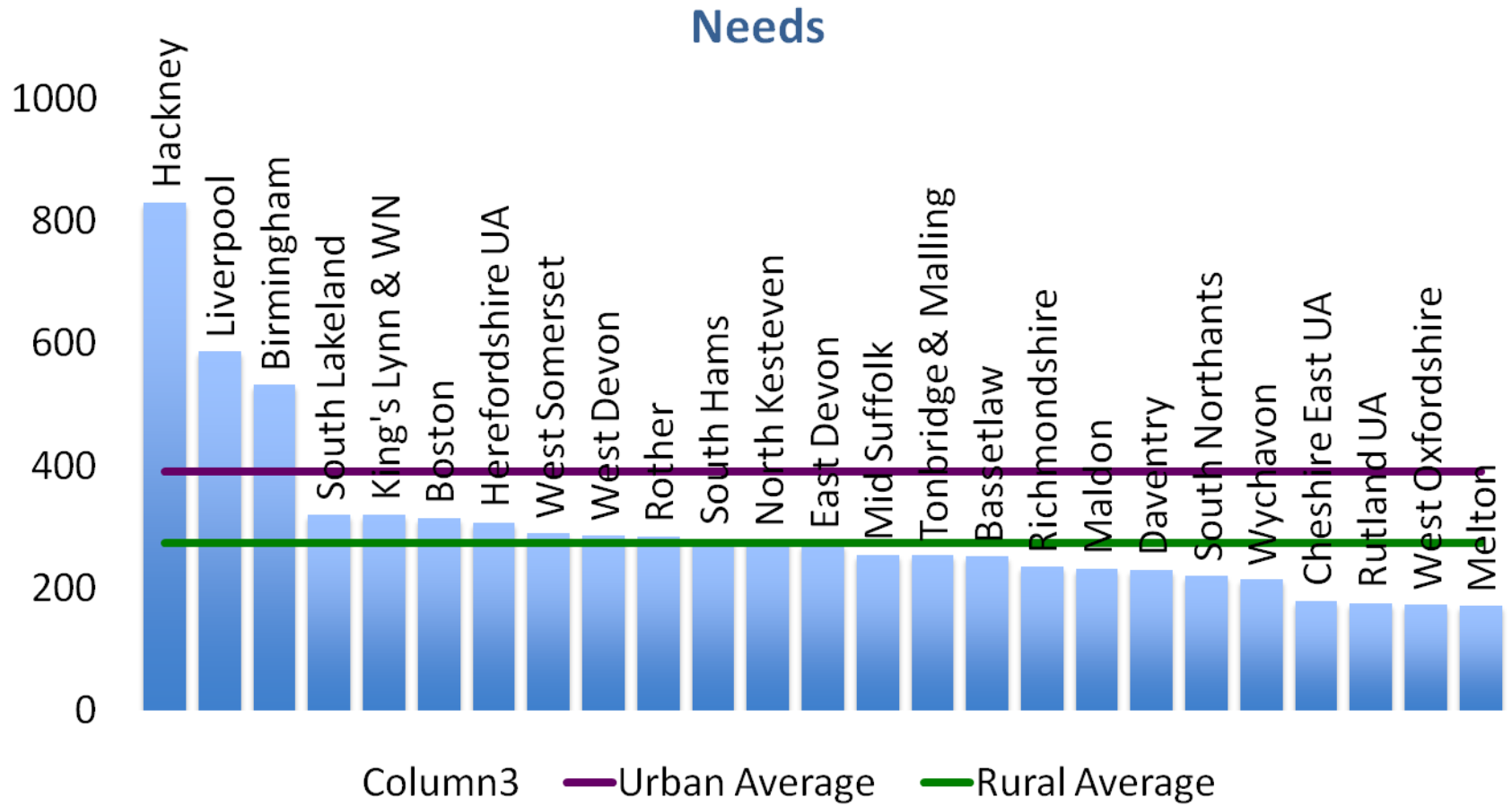
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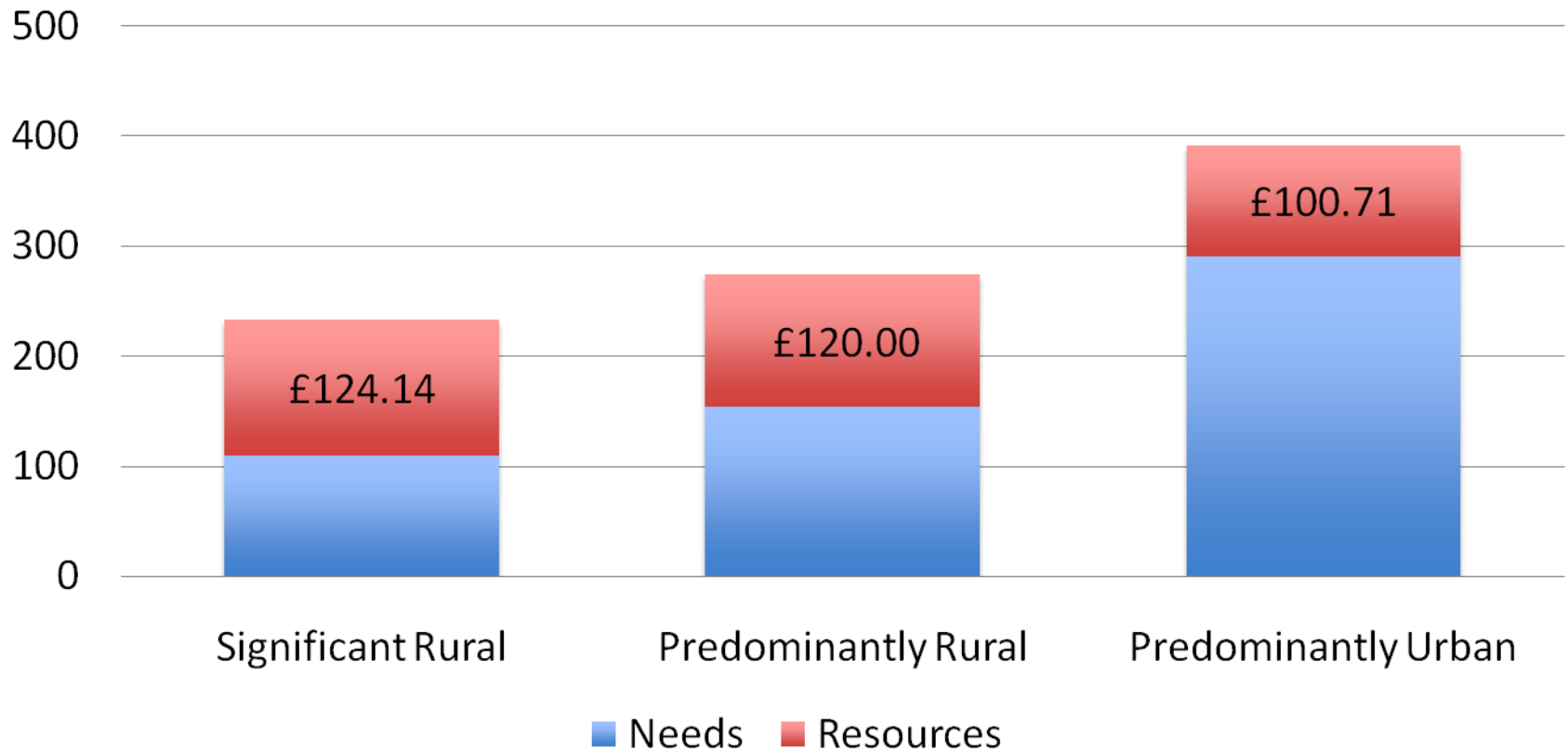


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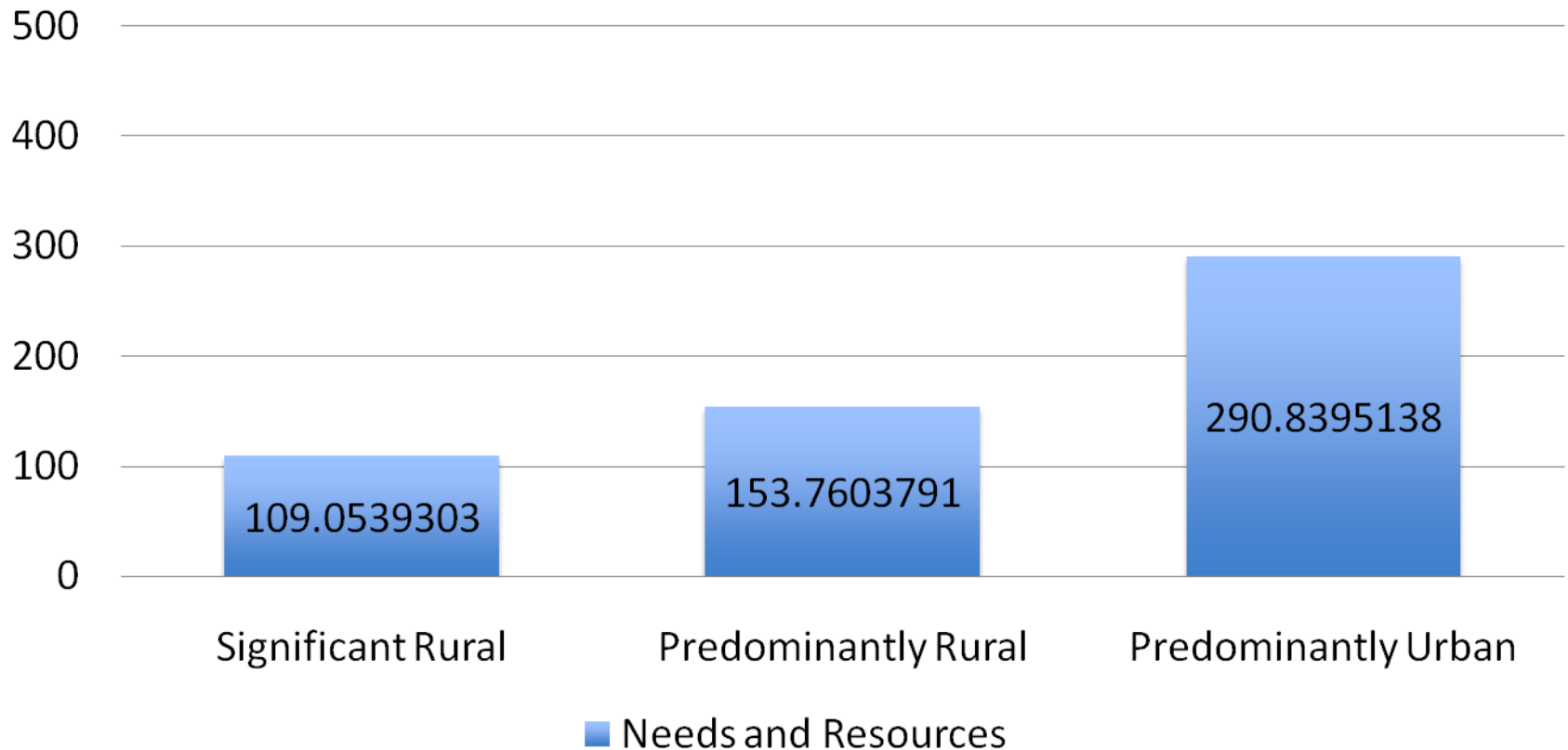
£19 more per head deemed capable of being generated locally in rural areas

Resources is subtracted from **Needs**



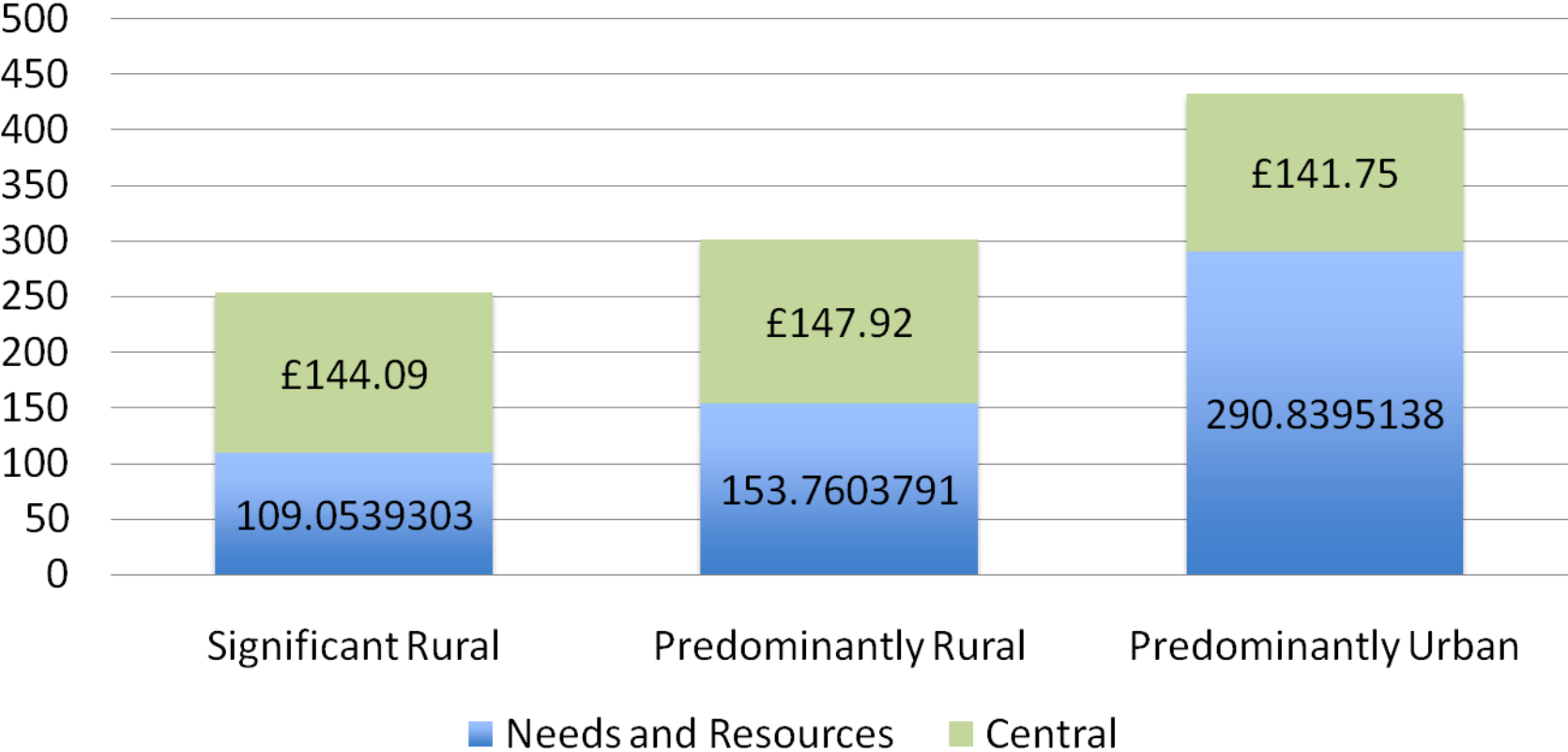
£137 more per head provided for urban areas for 'needs' taking account of 'resources'

Needs and Resources



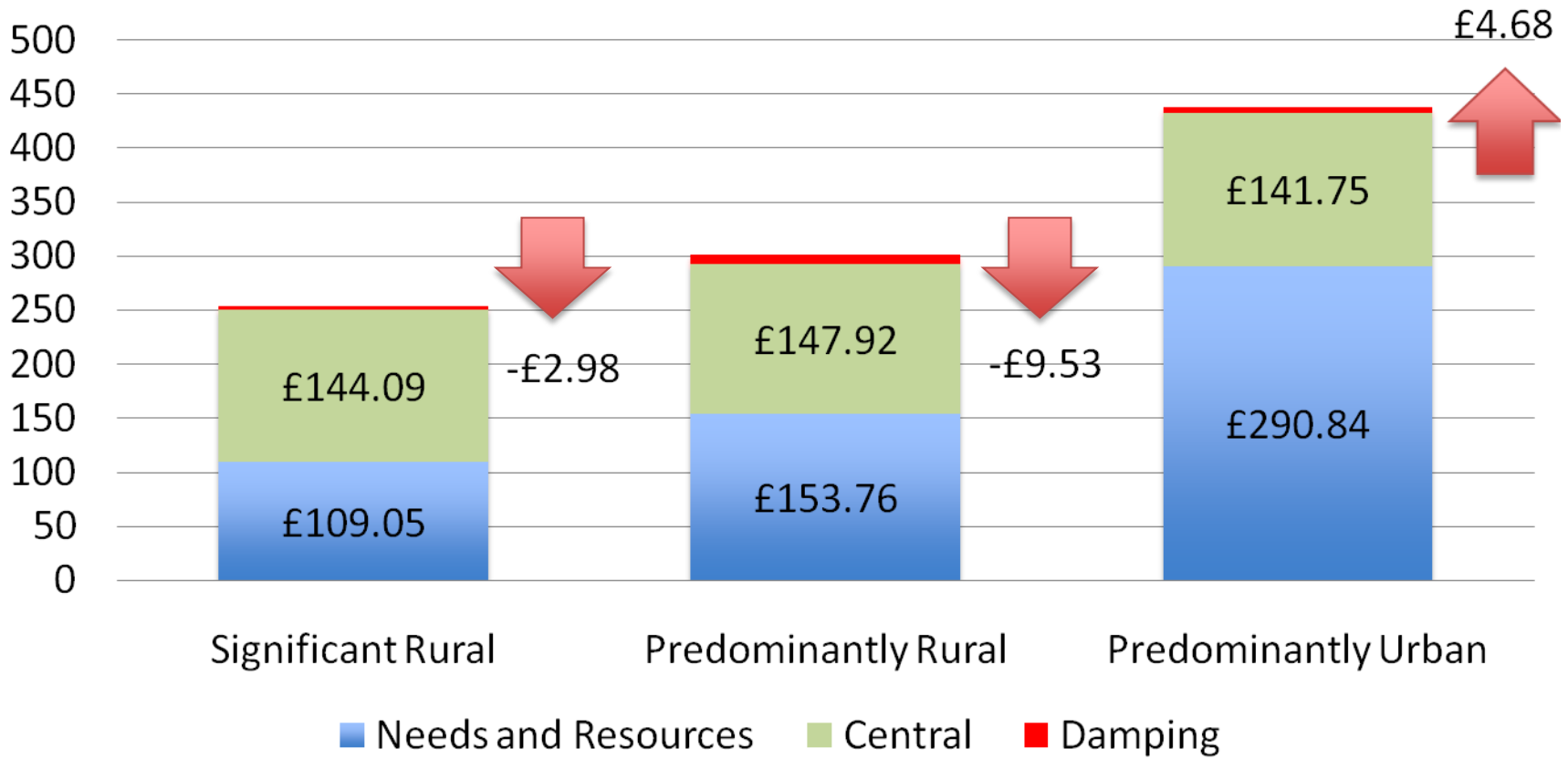
Central Allocation provides £6 per head more in Predominantly Rural Areas

Central Allocation added to Needs and Resources



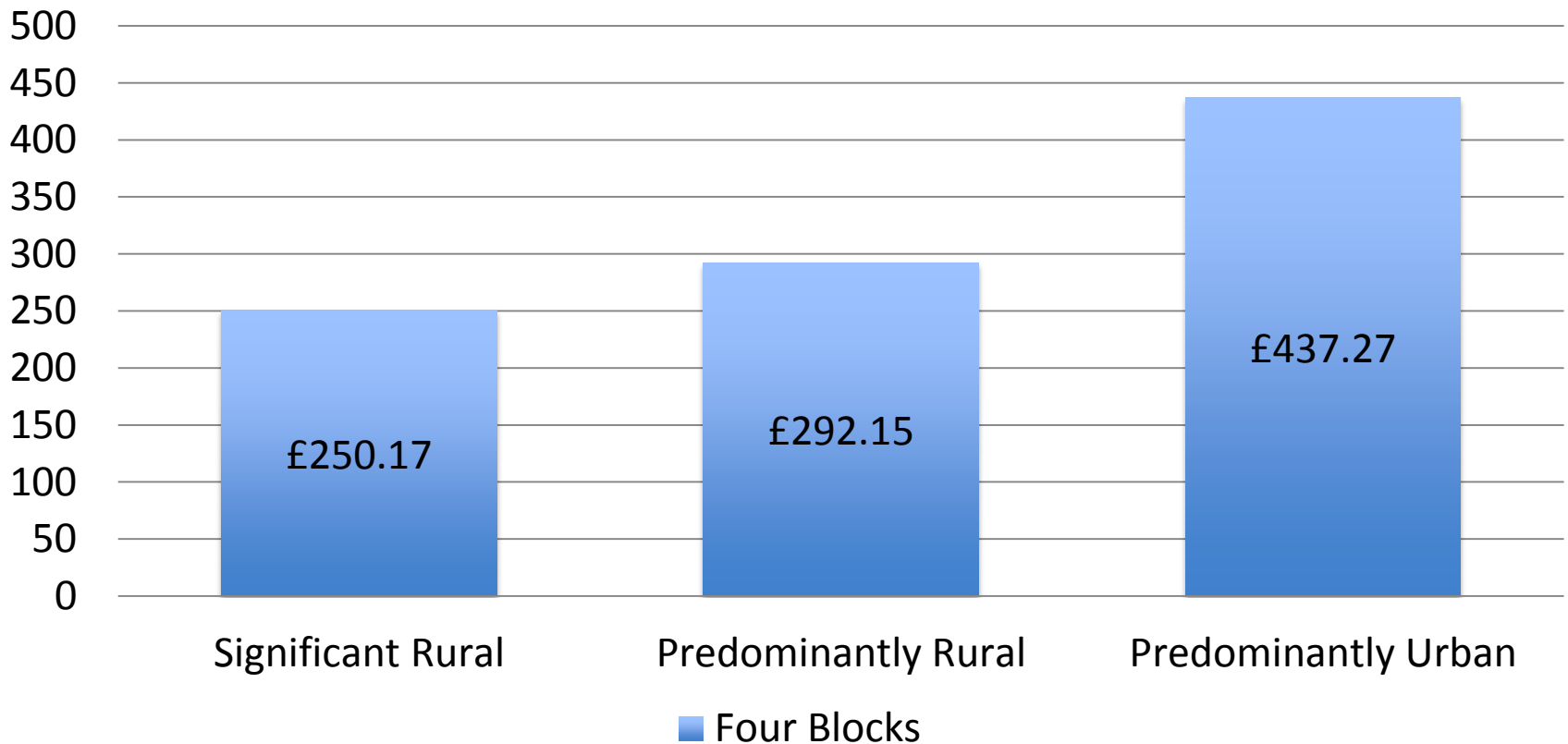
Damping widens the gap by a further £15

Damping adds funding for PU but reduces for PR



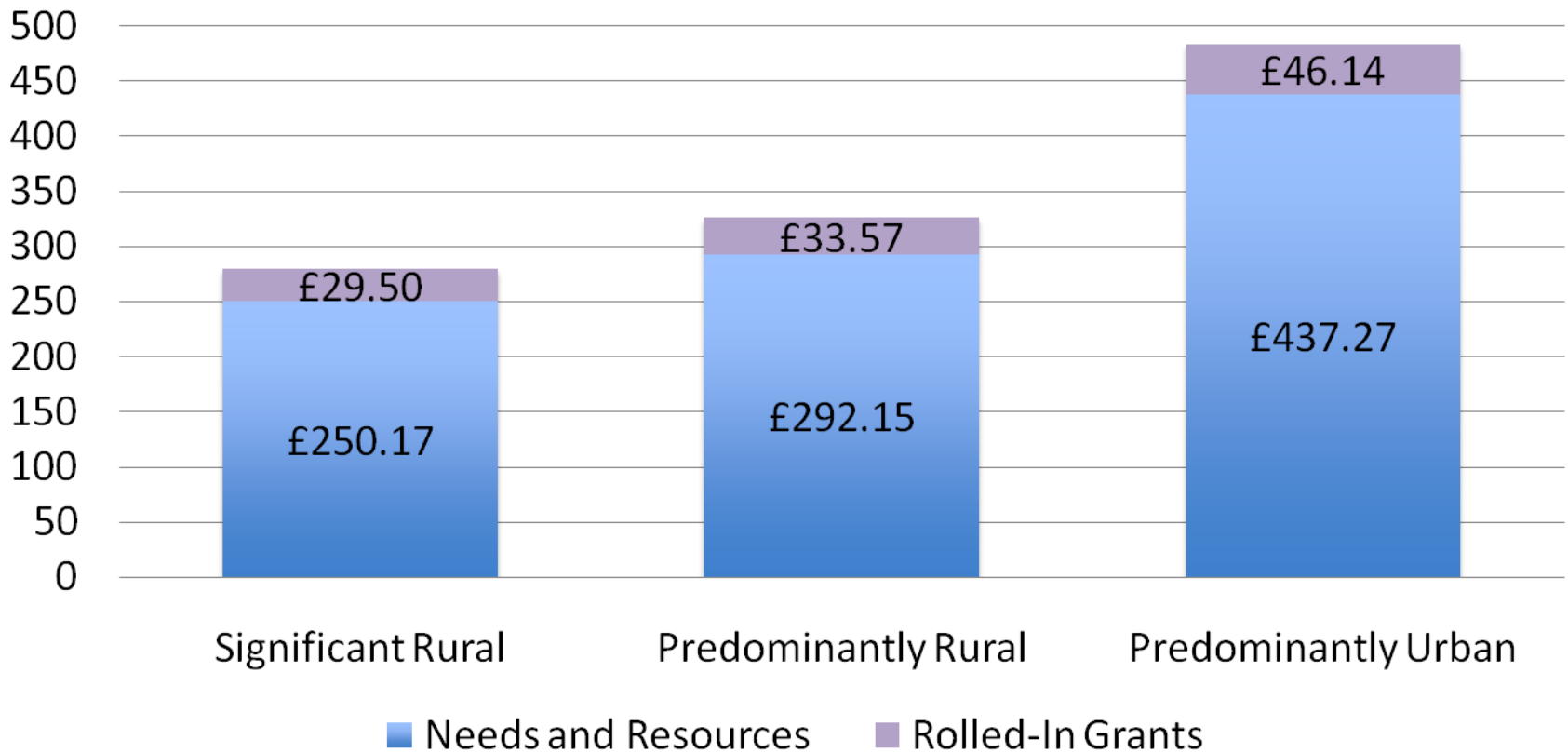
Government Funding via the 4 blocks

Funding per head via formula allocation



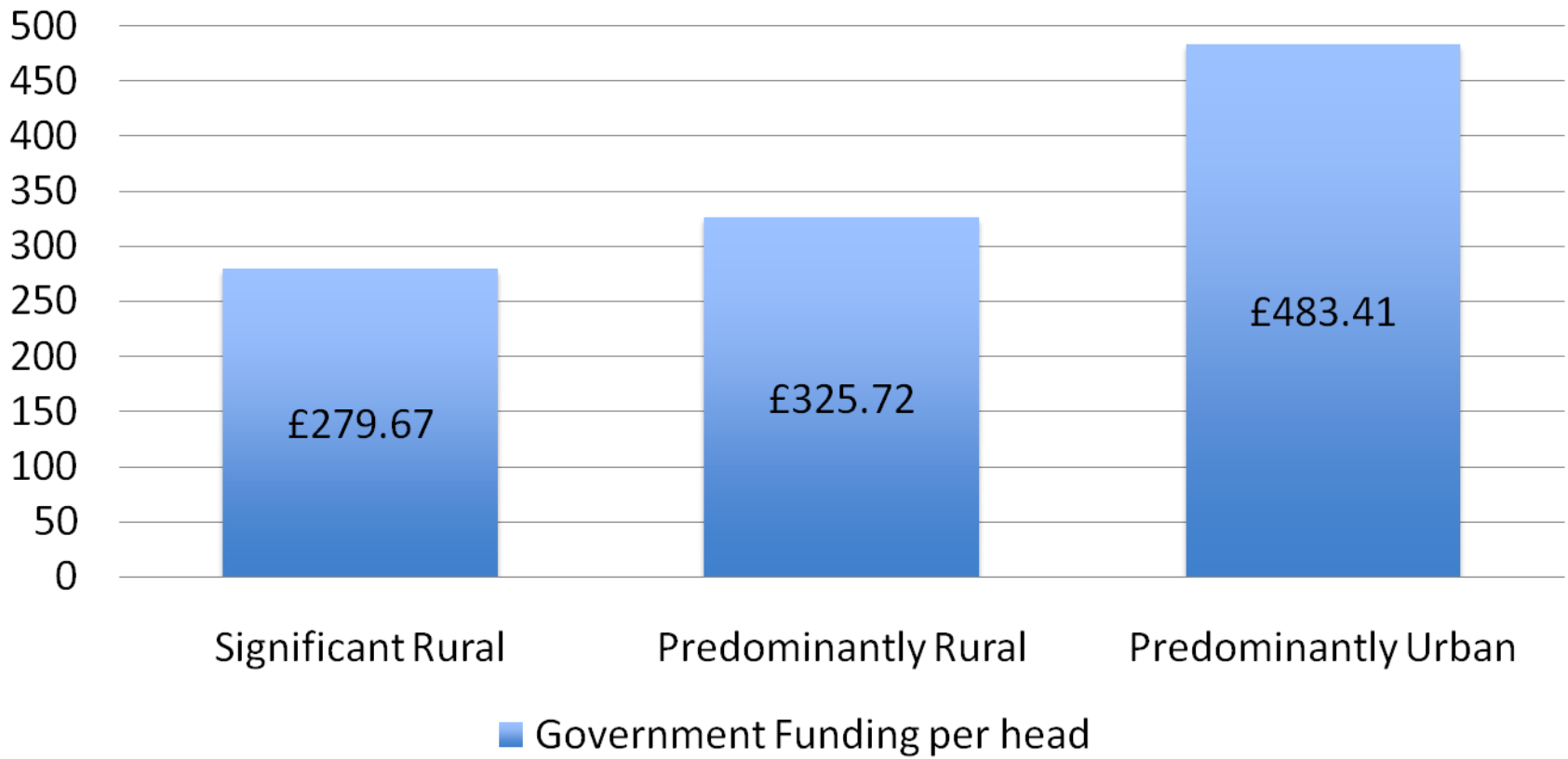
Some grants previously outside formula have now been rolled into the main formula

Rolled-In Grants



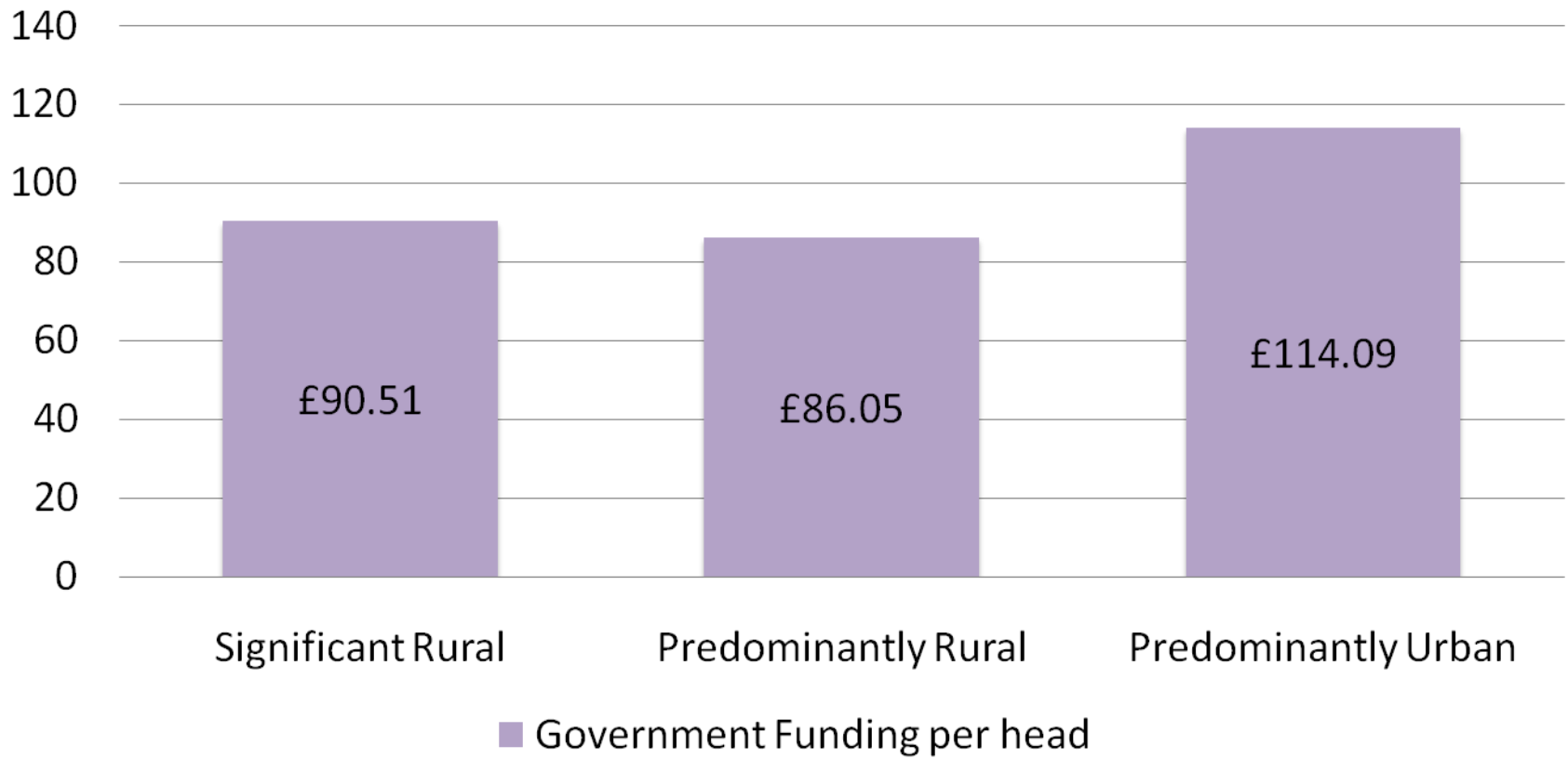
£158 more 'spending power' per urban resident from Government Formula Funding ...

All Government Formula Funding – 2011/12 per head



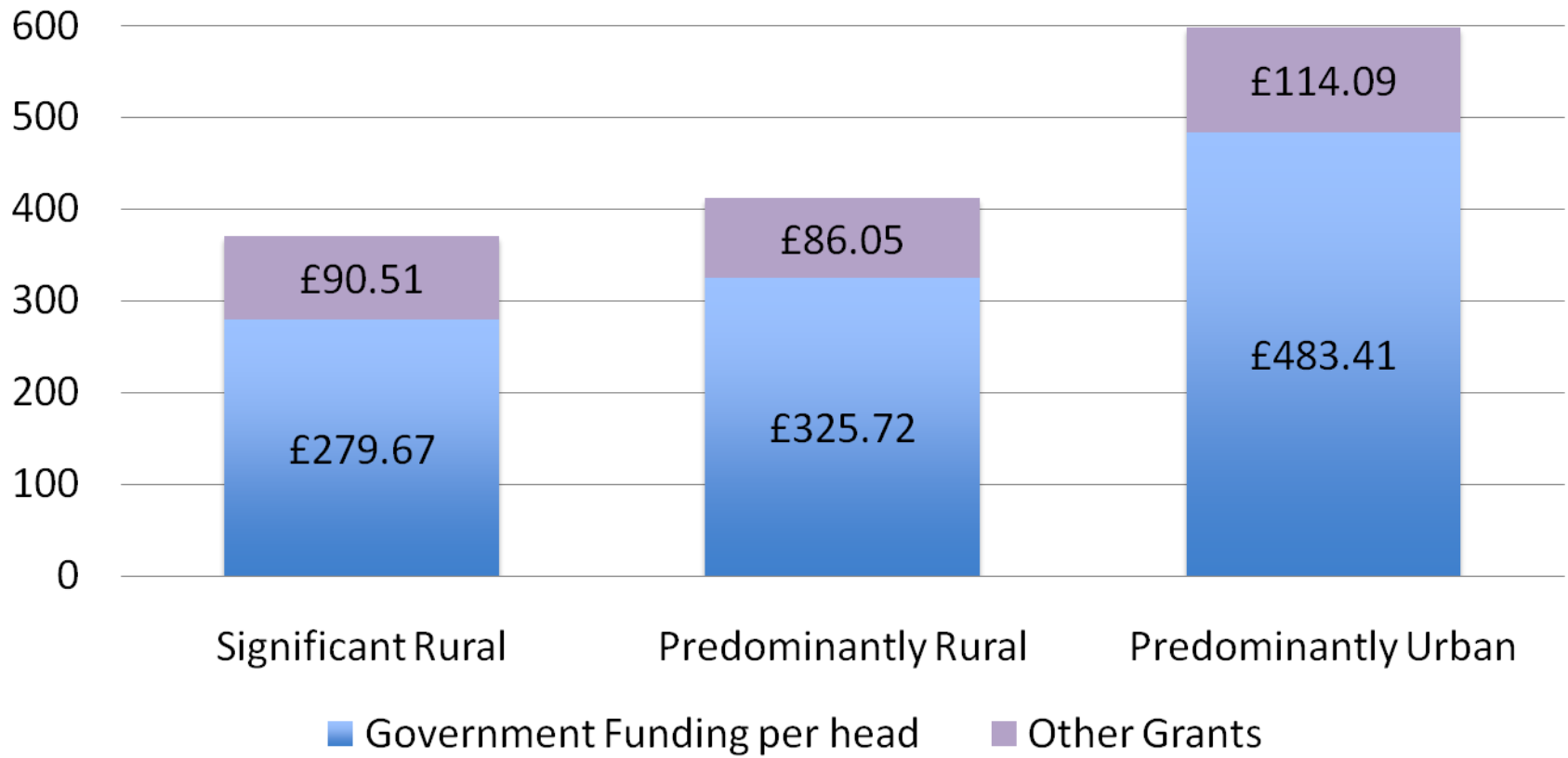
£28 more 'spending power' per urban resident from 'Other Grants' ...

Other Grants – 2011/12 per head



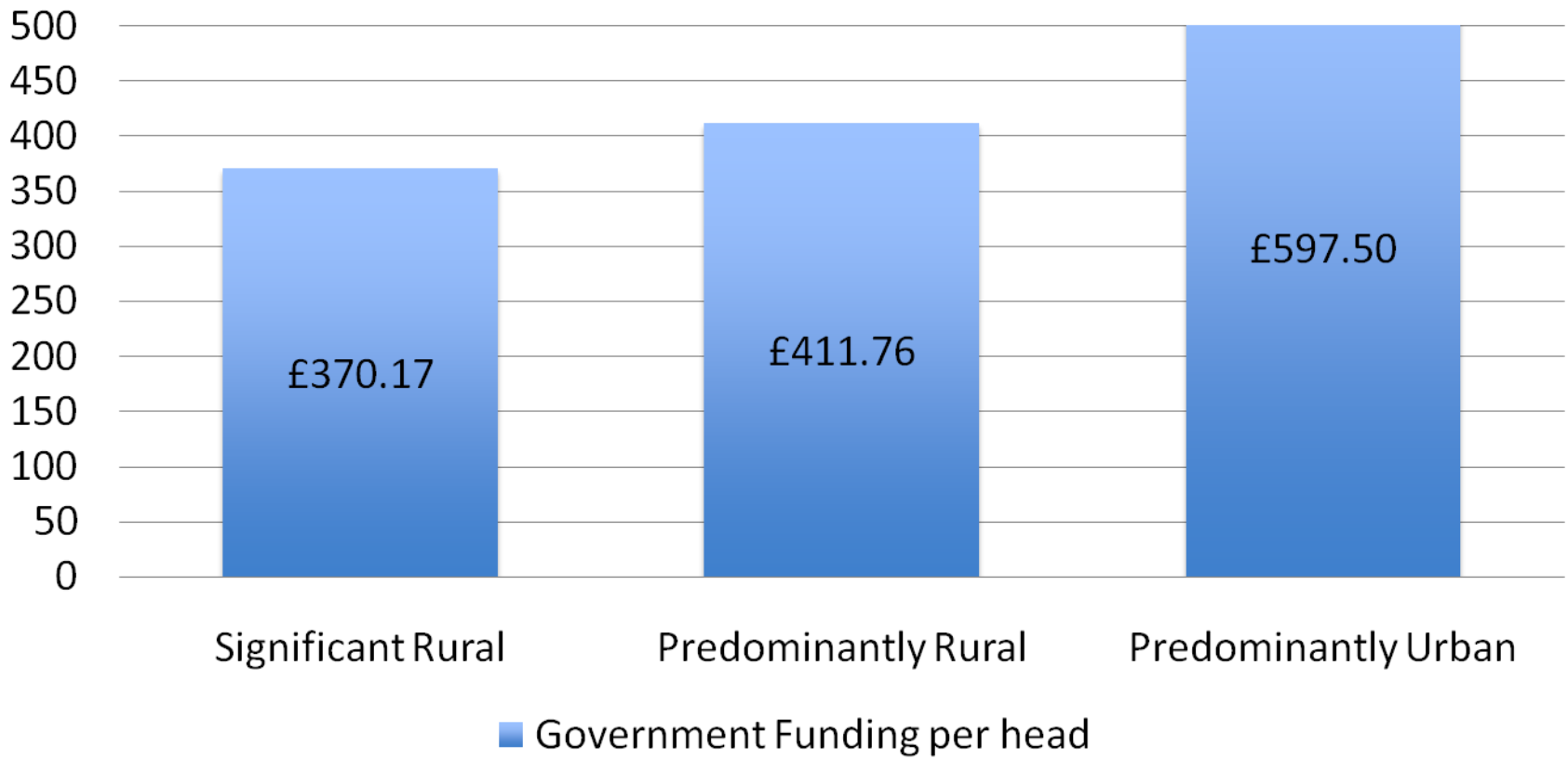
£158 more 'spending power' per urban resident from Government Formula Funding and £28 per head on other grants

All Government Formula Funding – 2011/12 per head



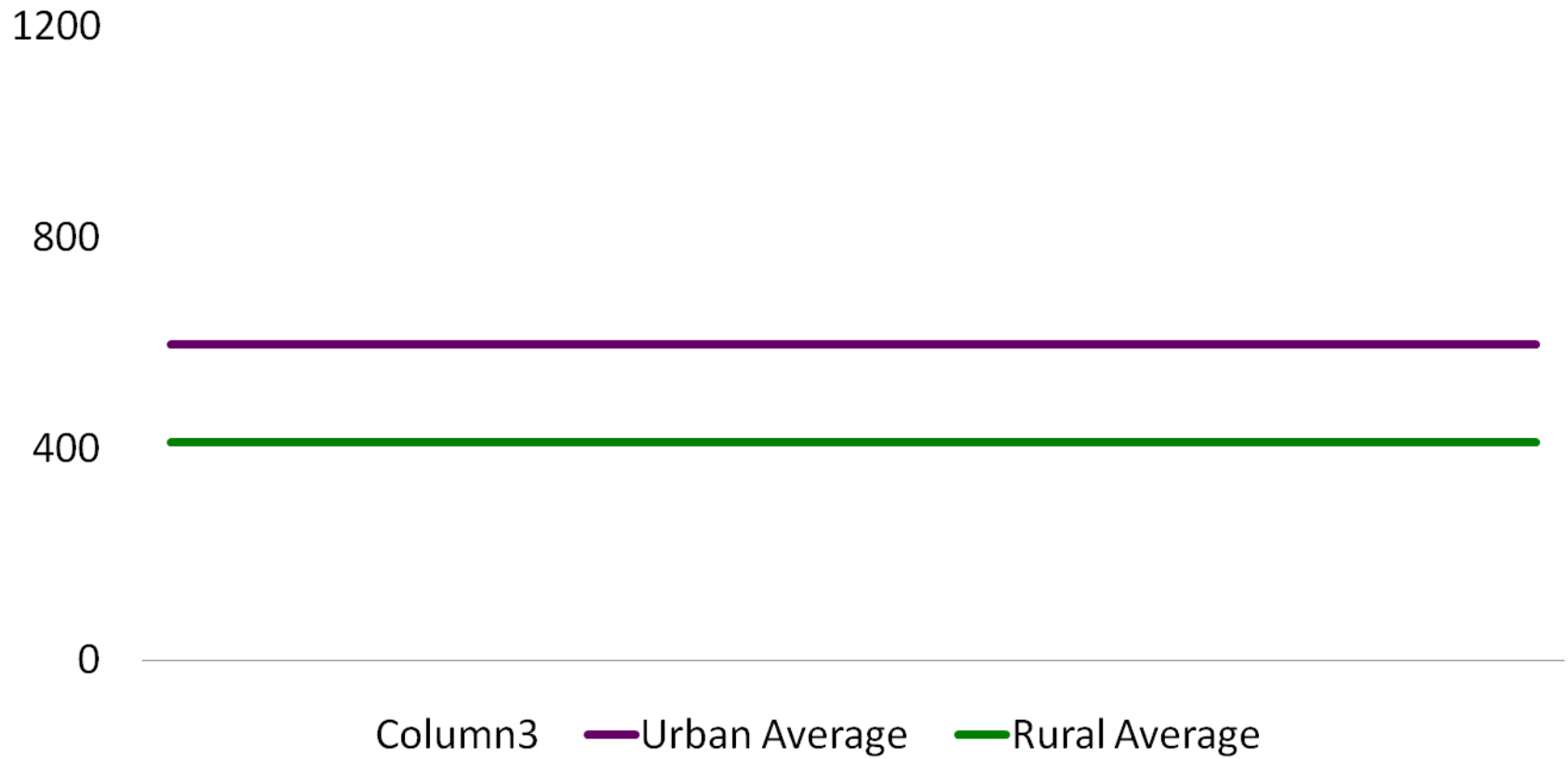
£186 more 'spending power' per urban resident from all Government funding ...

All Government Formula Funding – 2011/12 per head



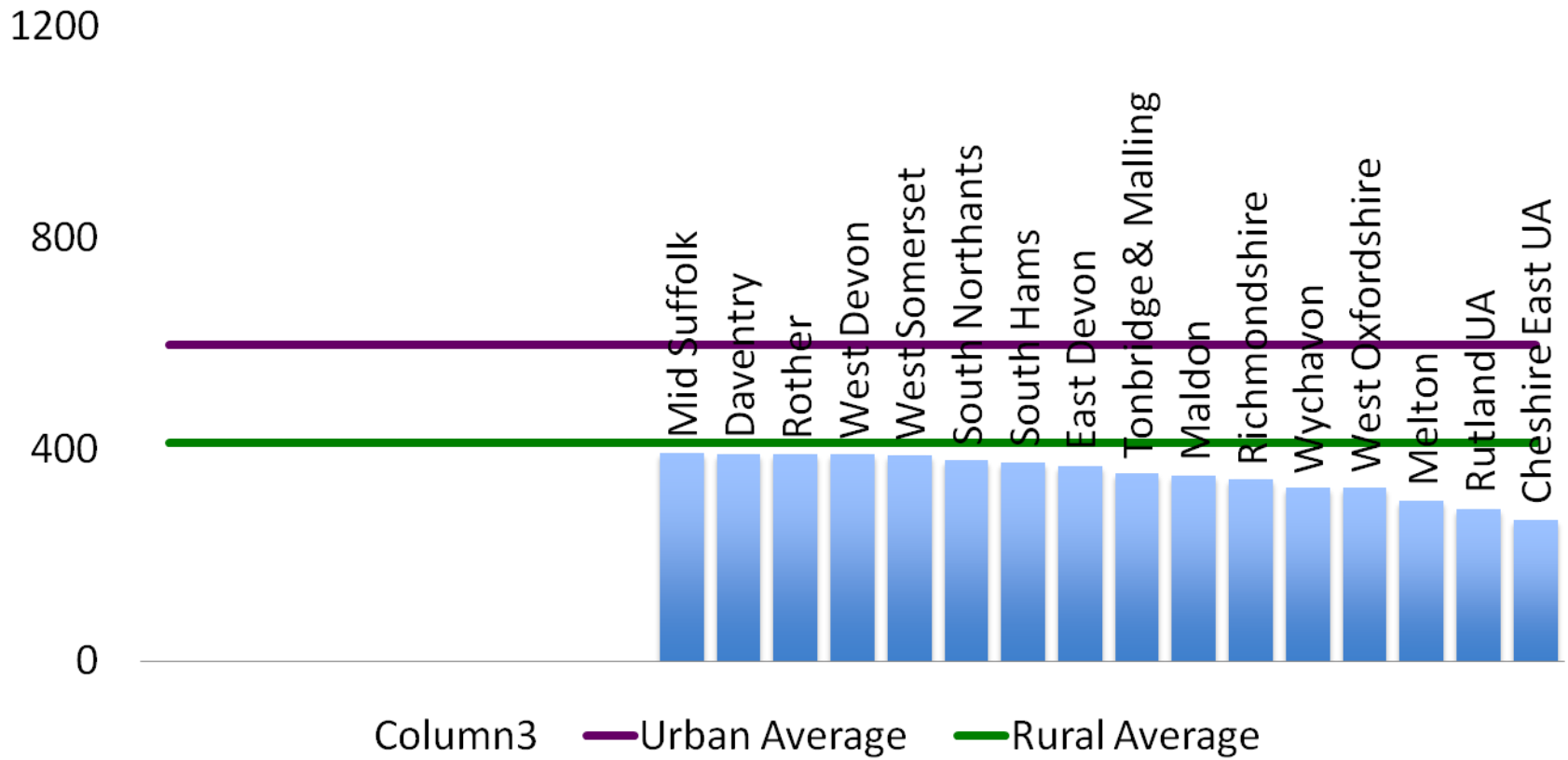
... massive differentials between individual authorities

All Government Funding 2011/12



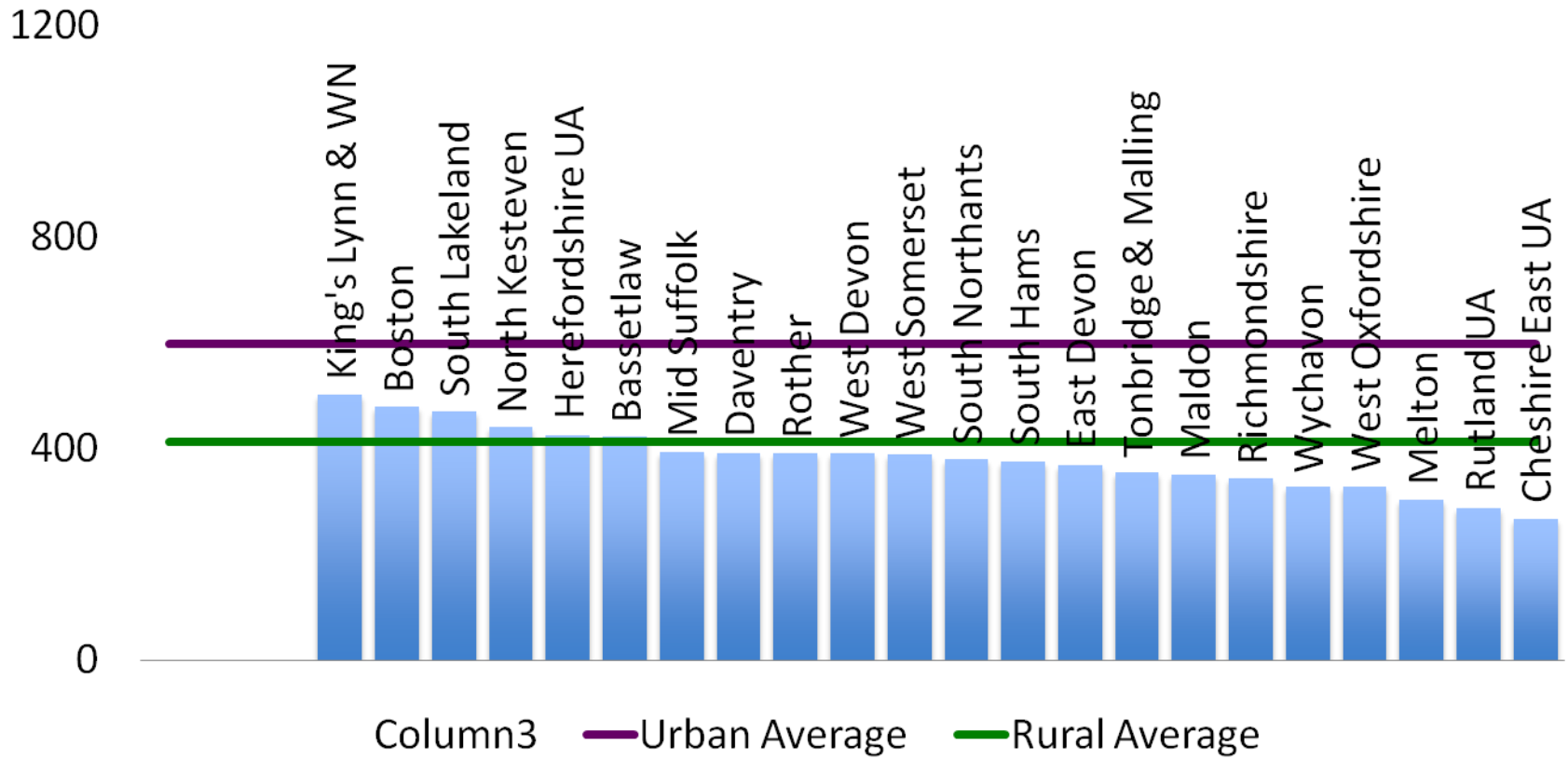
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All Government Funding 2011/12

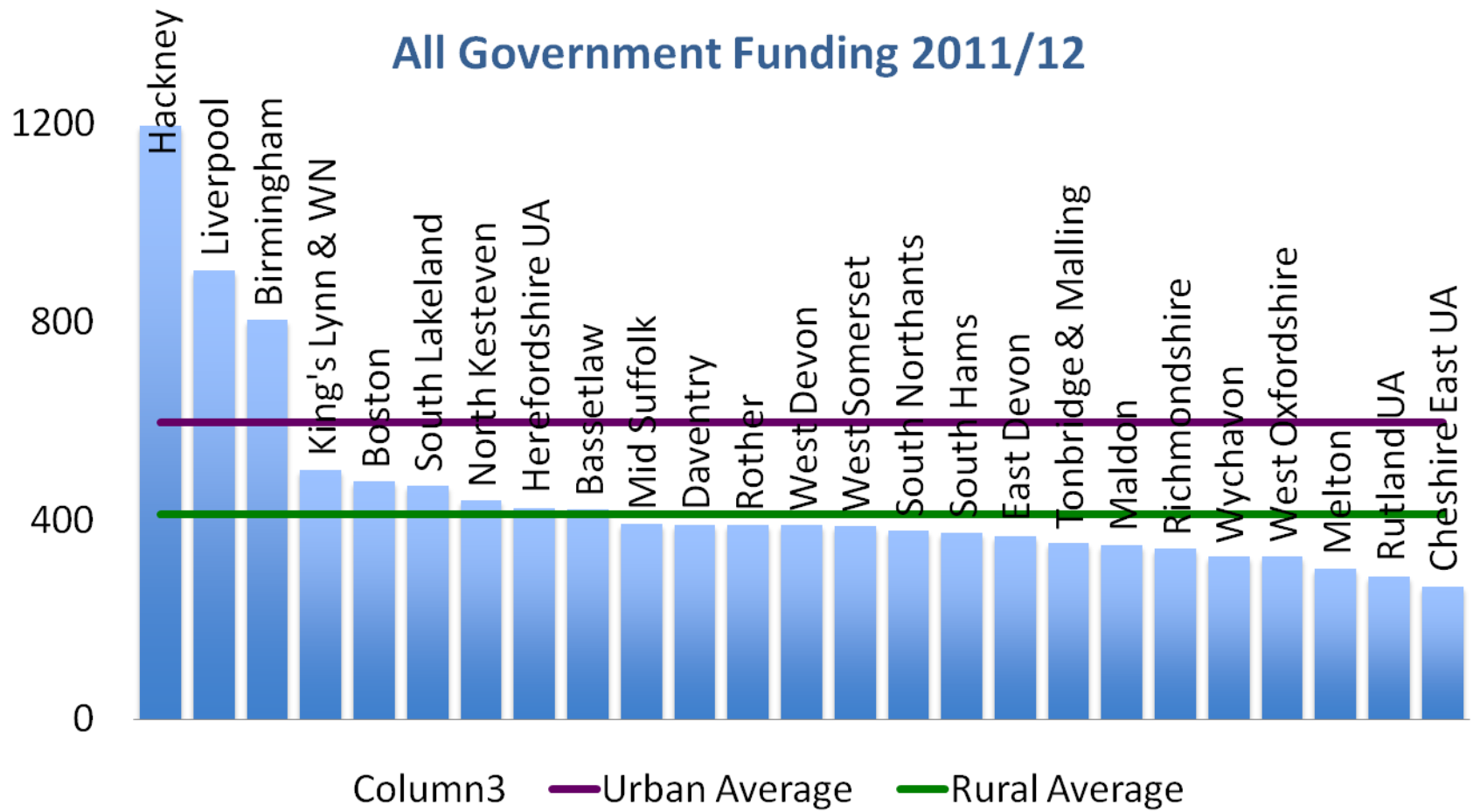


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All Government Funding 2011/12

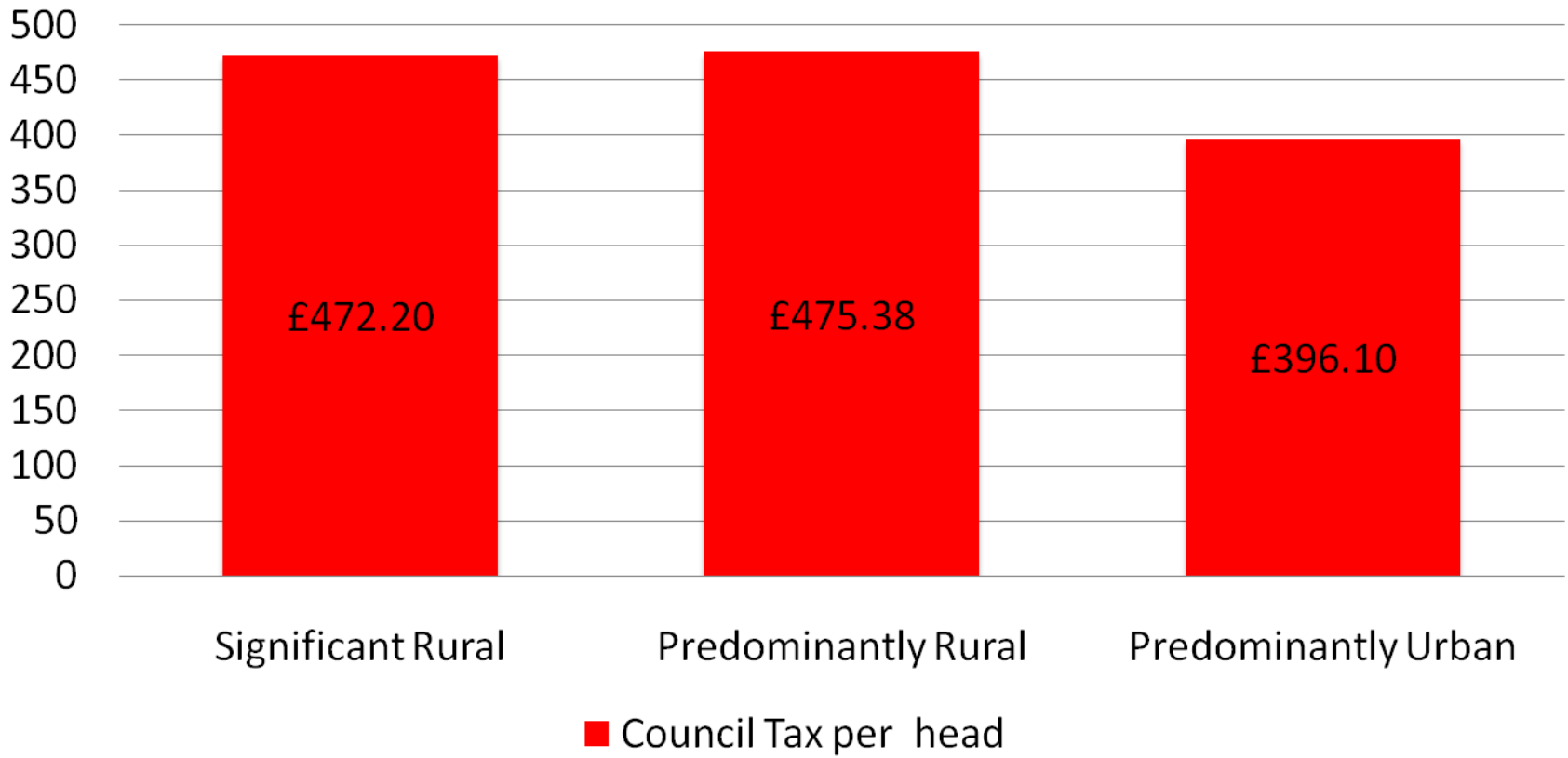


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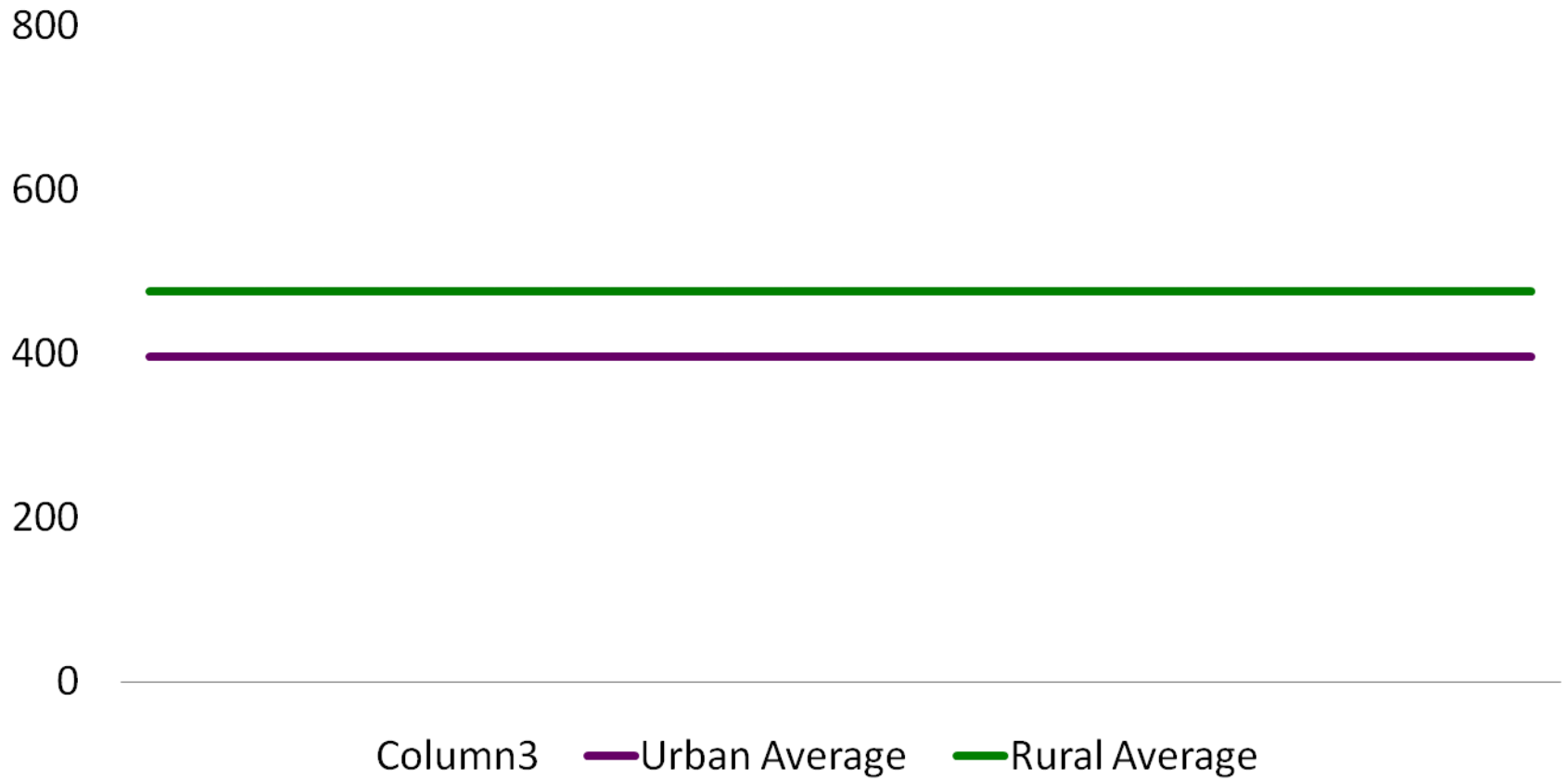
... but the rural resident pays £79 more in Council Tax for those services AND ...

Council Tax per head– 2011/12



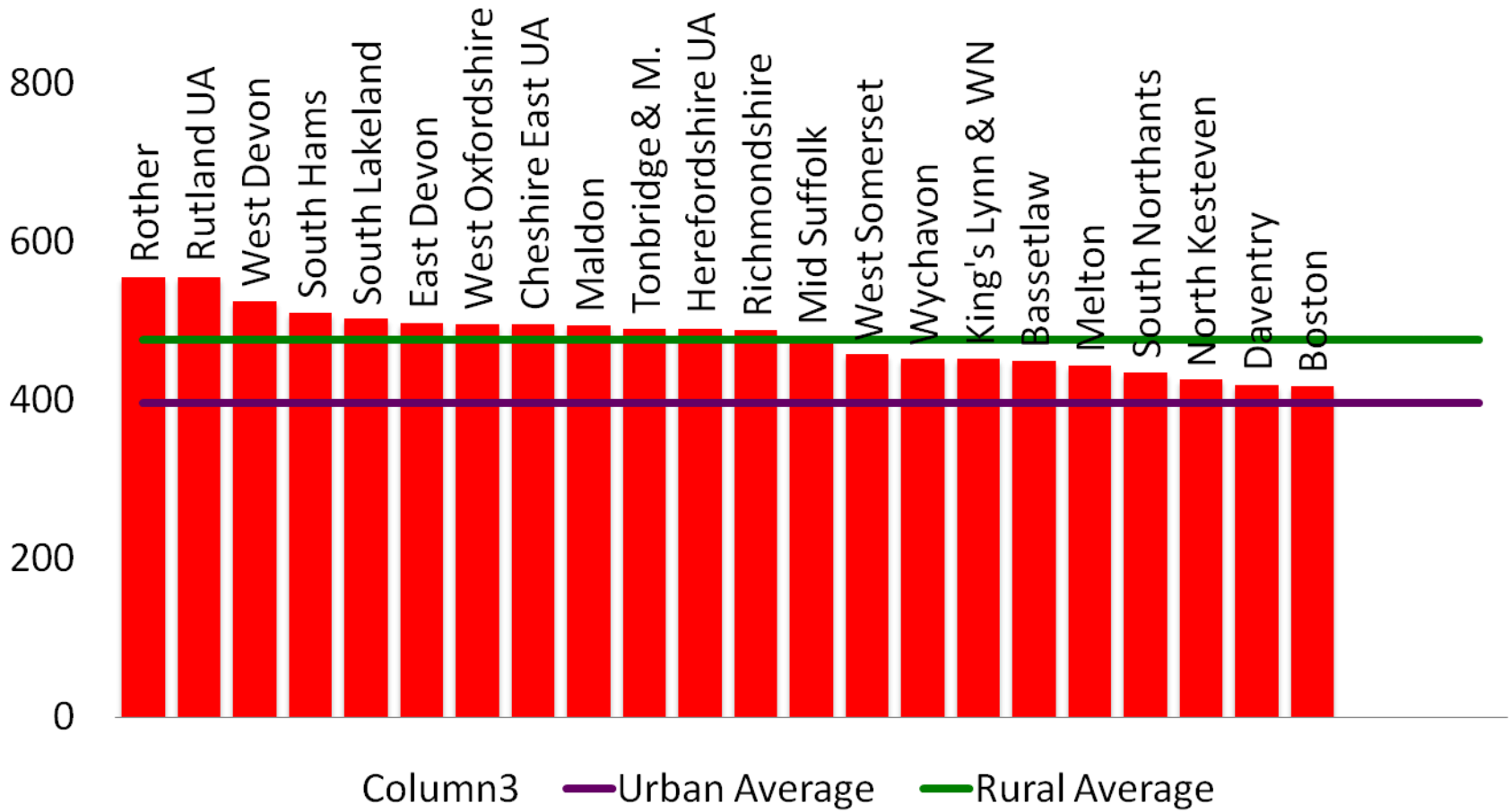
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Council Tax 2011/12



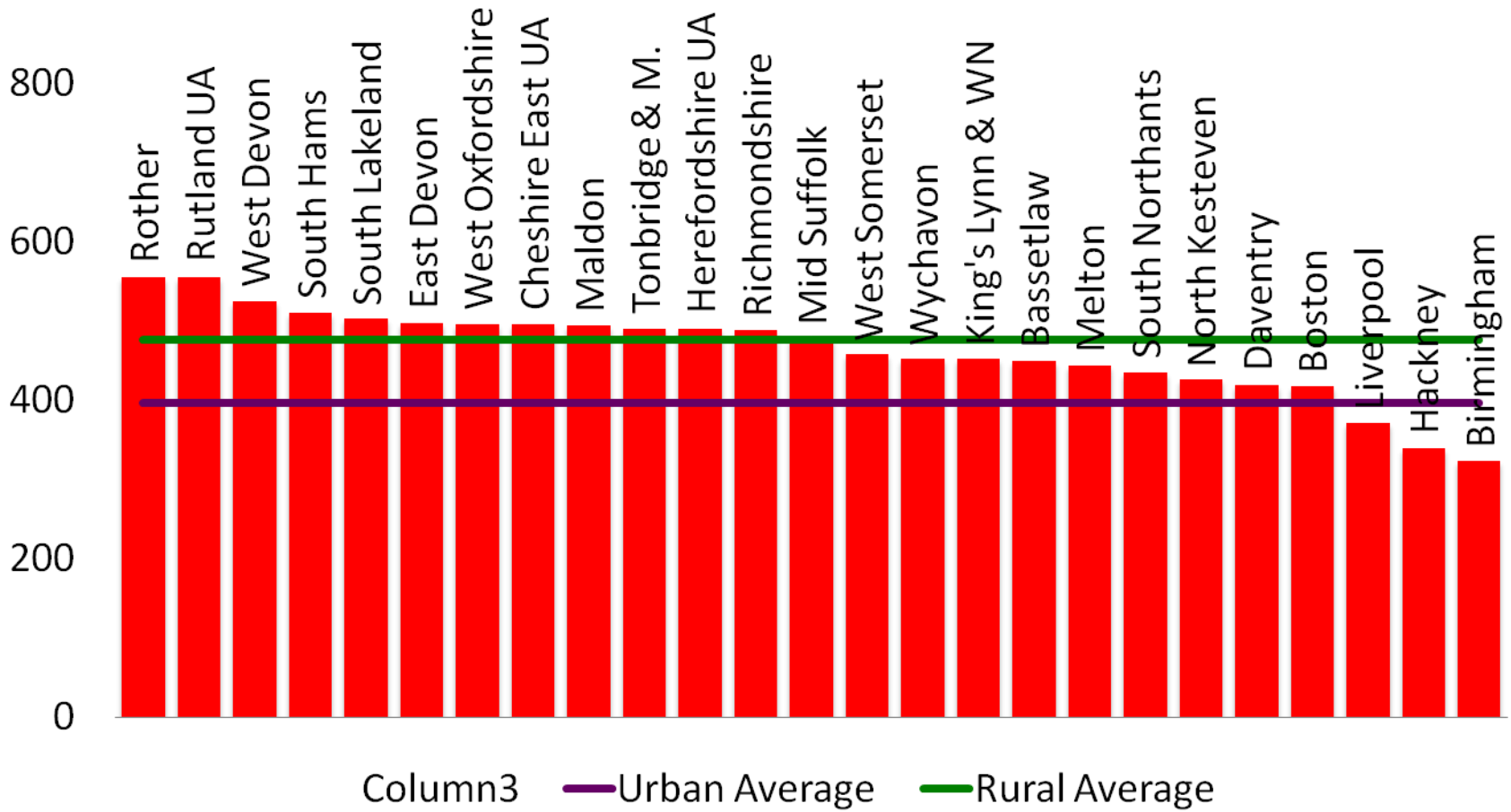
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Council Tax 2011/12



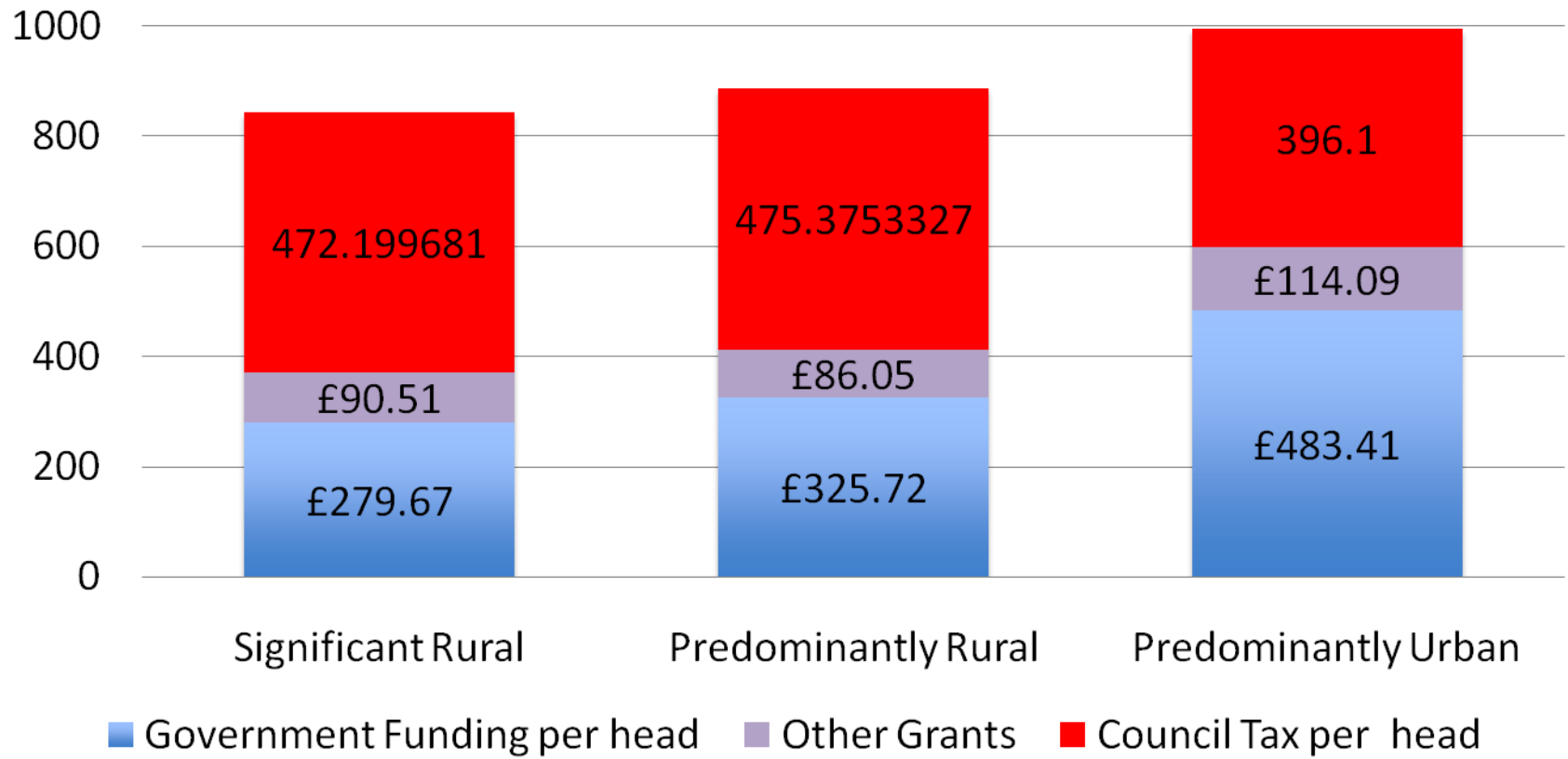
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Council Tax 2011/12



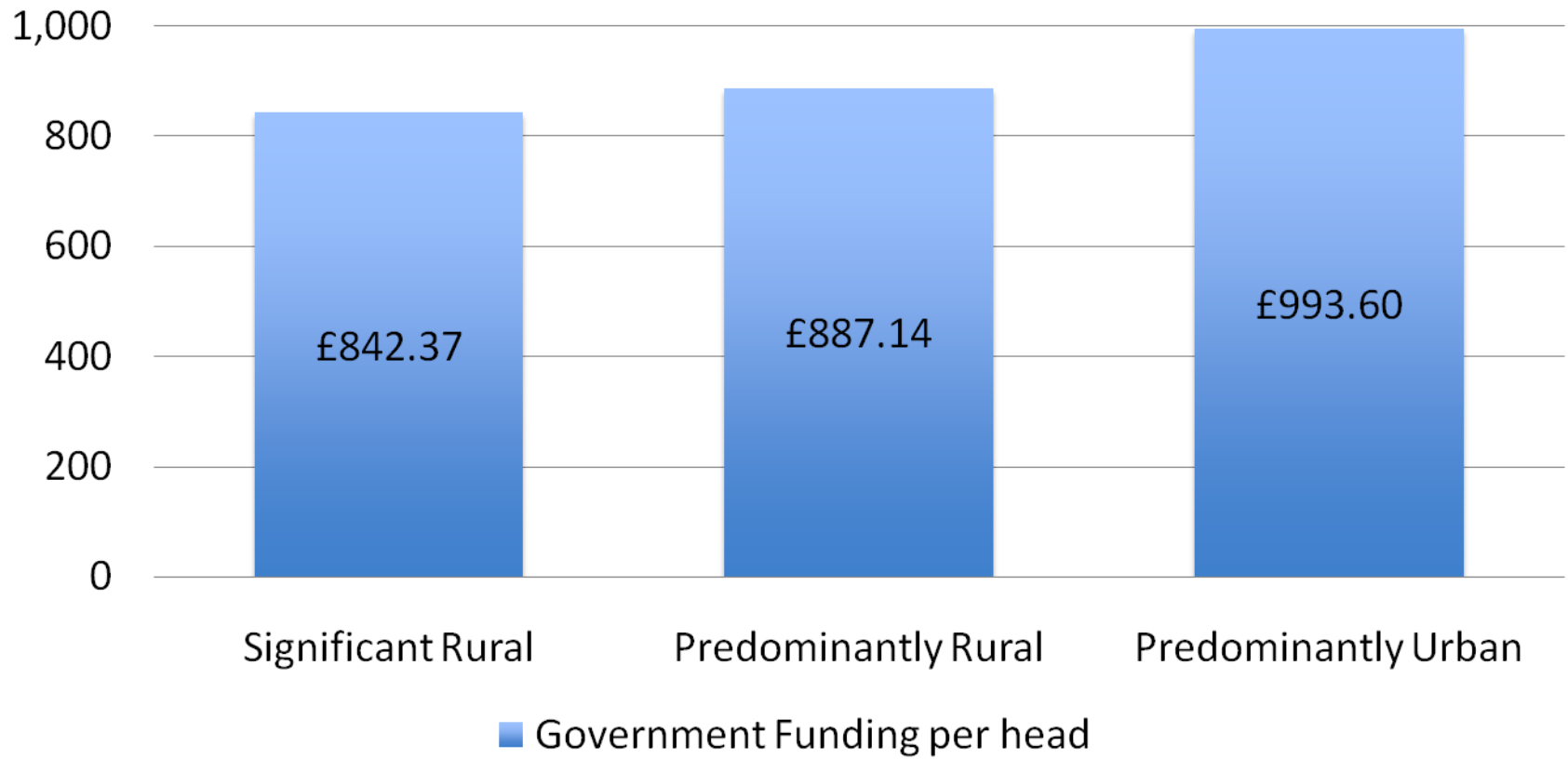
... has £107 less spent on local services

Spending Power – 2011/12 per head



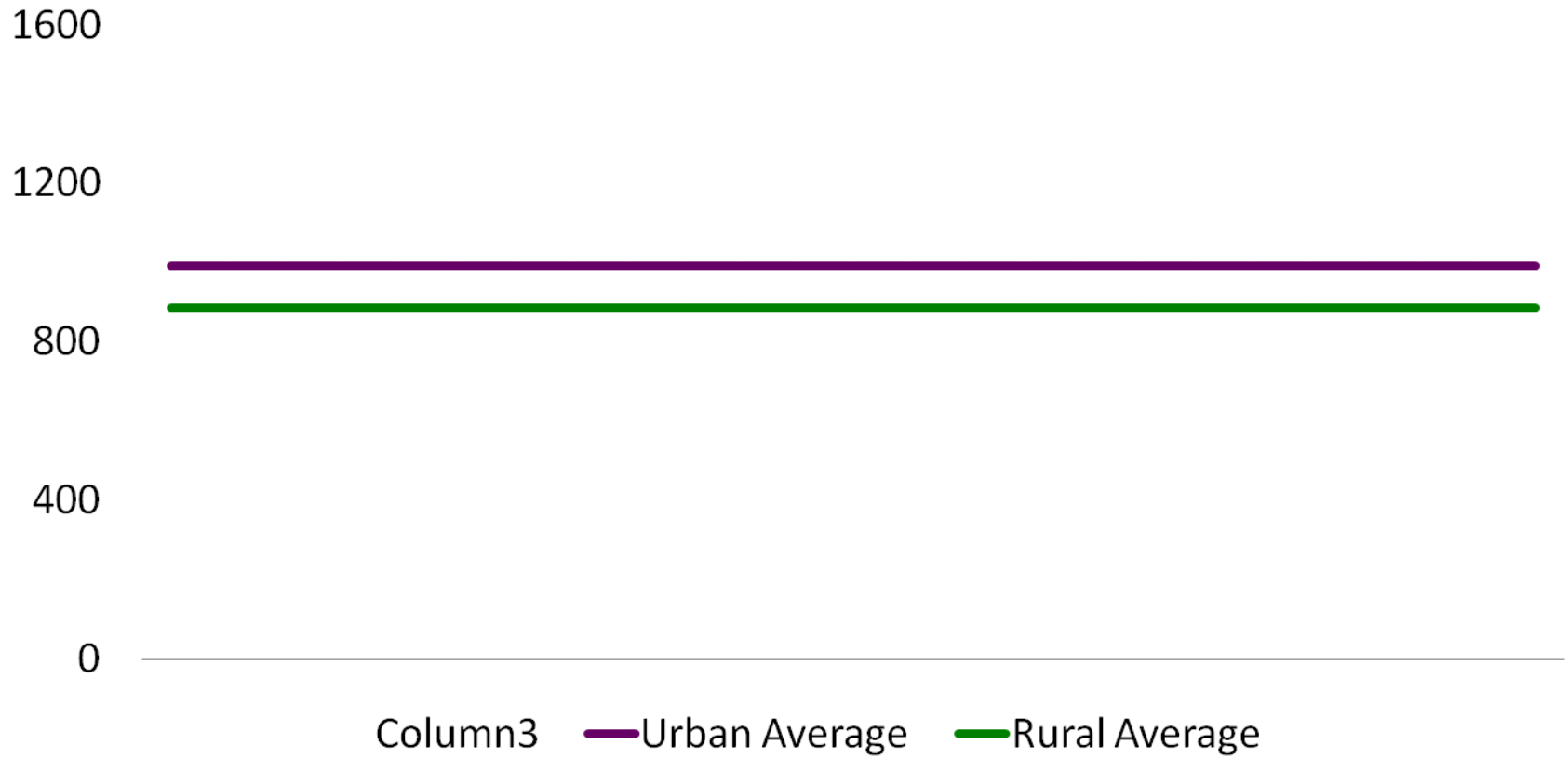
£107 more 'spending power' per urban resident from Government Formula Funding ...

Spending Power – 2011/12 per head

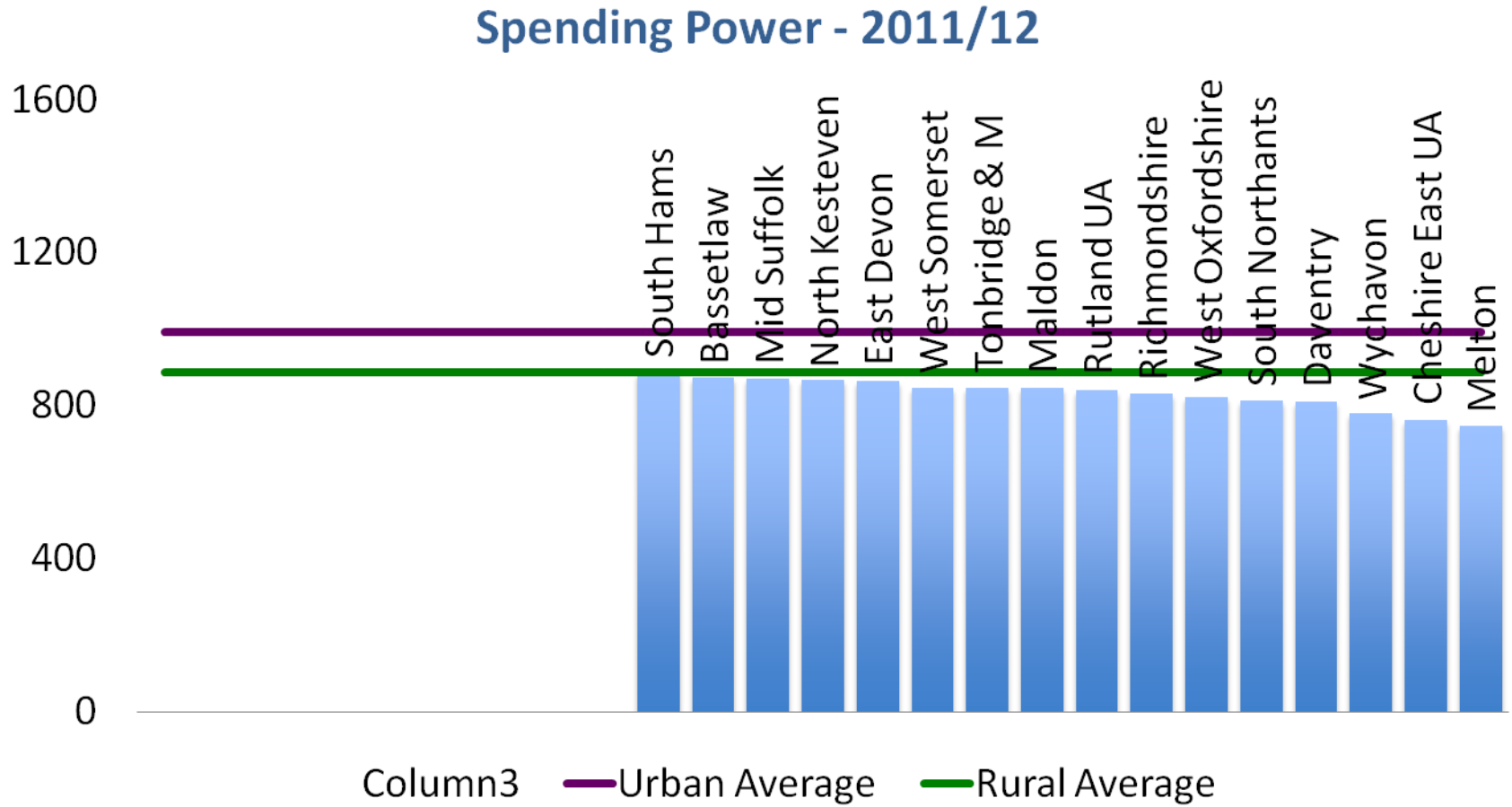


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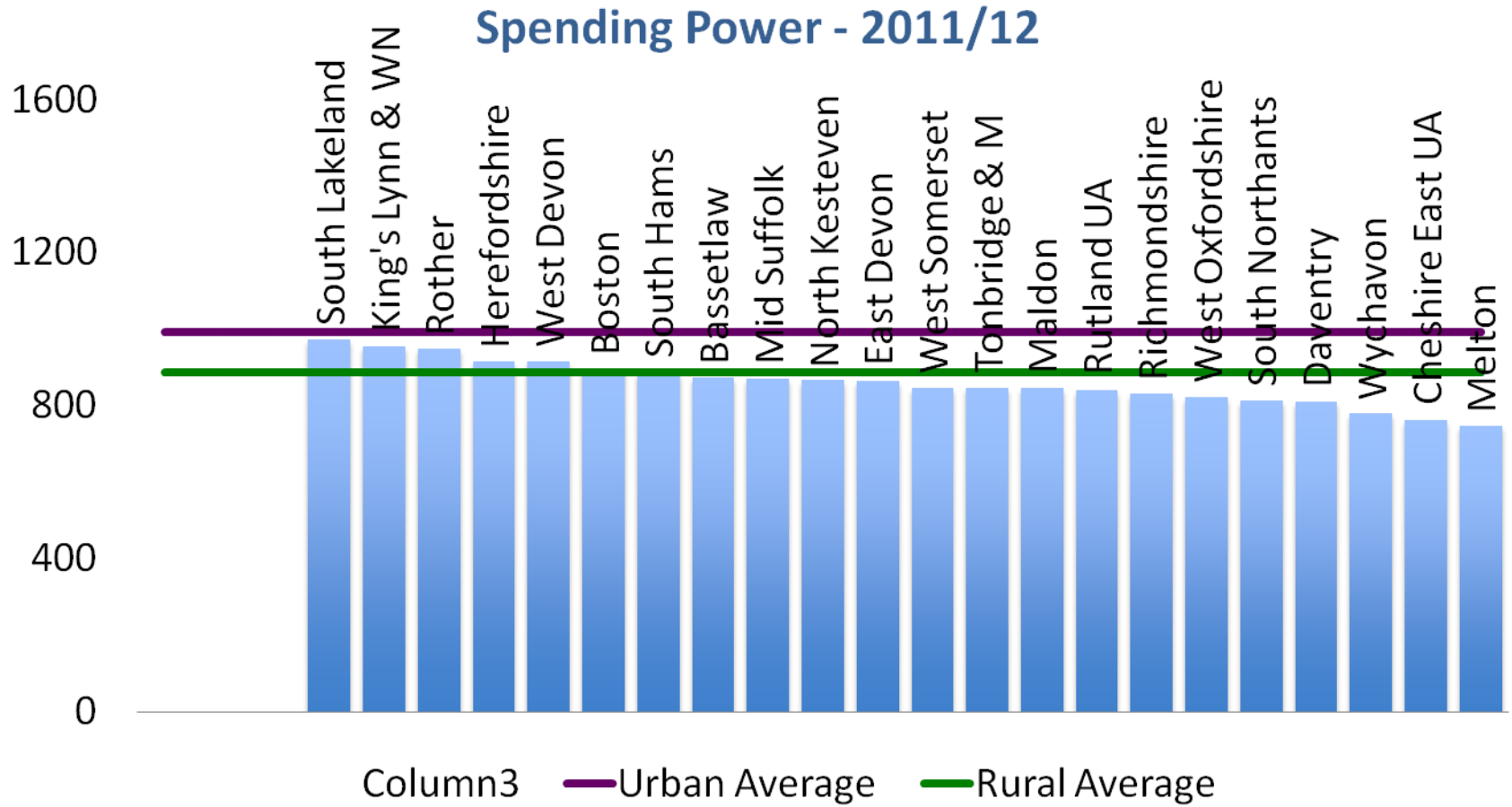
Spending Power - 2011/12



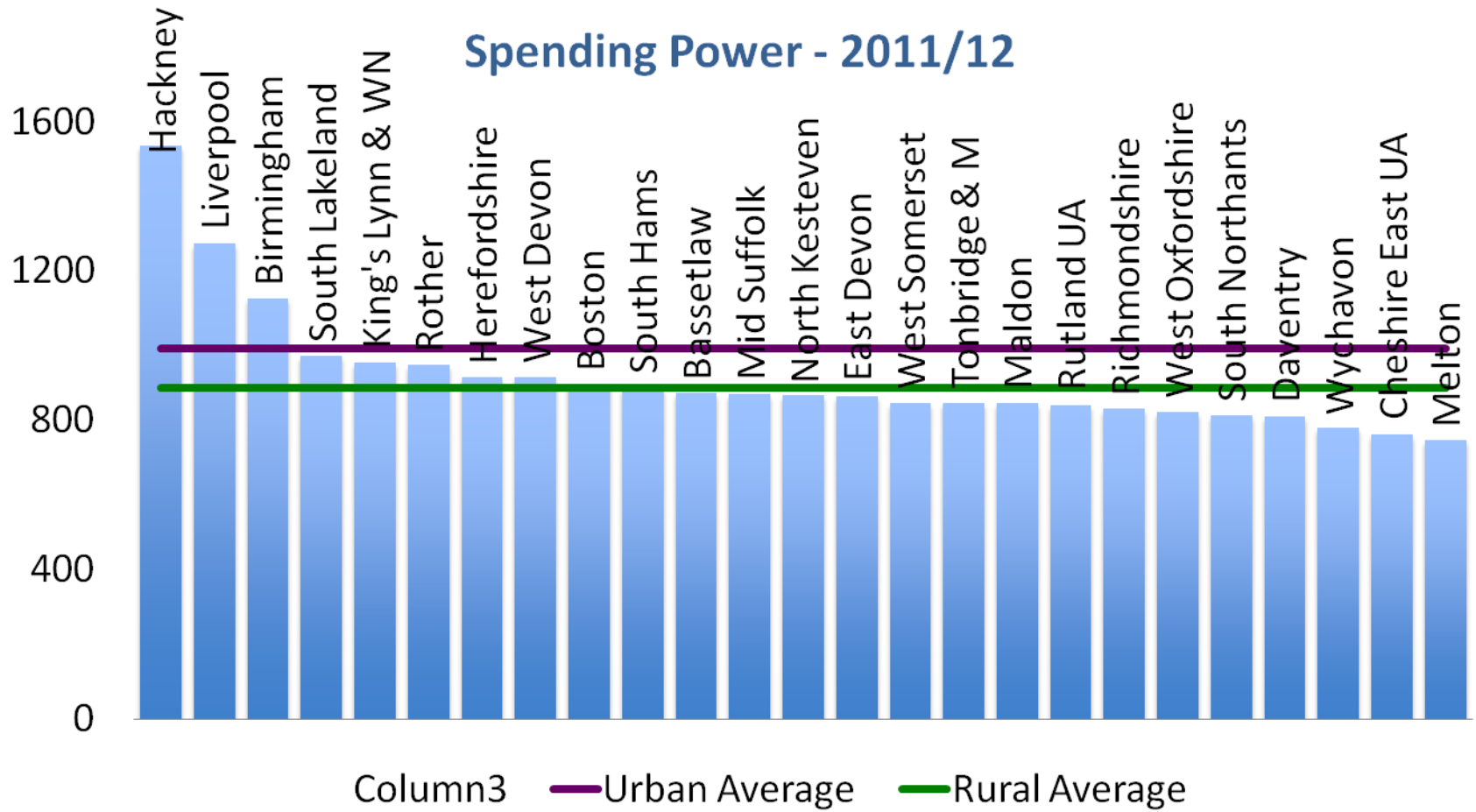
... massive differentials between individual authorities



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In summary

- In 2011/12, on average, the rural resident when compared with his/her urban counterpart:
 - Receives £186 less Government funding
 - Pays £79 more in Council Tax
 - Receives £107 less spent on local services
 - Averages mask massive differentials for individual authorities
 - Earns less (average wage figures)
 - Rural penalty (SPARSE survey)
 - Business Rates baseline position