Sarah Wollaston Totnes

Is it not true that the long-standing unfairness has been the penalty against rural areas? Areas such as Devon have a low-wage economy, but the highest council taxes. This settlement addresses that imbalance without penalising areas such as Torbay. I therefore congratulate my right hon. Friend on a very sensible settlement.

Greg Clark The Secretary of State for Communities and Local Government

I am very grateful to my hon. Friend. Every local government finance settlement has to strike a balance between the very different needs of different areas of the country. Most people who have reflected on the settlement that I have proposed, including the Local Government Association and the Institute for Fiscal Studies, have recognised that I have been fair to places, such as those she mentions, that have higher costs—Torbay has benefited from the change in the formula—and that I have committed to making sure that the new system for 100% business rate retention is founded on an accepted analysis of the costs and pressures that different authorities face.

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