

**Suburban subsidy: the towns paying pounds 2bn extra a year for fewer services They are home to four out of five Britons,
but Middle England's green and pleasant lands are 'stumping up' for deprived areas inner-cities. 2**

The Sunday Telegraph

News:

Suburban subsidy: the towns paying pounds 2bn extra a year for fewer services They are home to four out of five Britons, but Middle England's green and pleasant lands are 'stumping up' for deprived areas inner-cities

BY BEN LEAPMAN and ROBERT WATTS

969 words

16 September 2007

The Sunday Telegraph

012

English

(C) 2007 Telegraph Group Limited, London

SUBURBS are being drained of at least pounds 2 billion a year with the Government redirecting money to "needier" areas, an investigation by The Sunday Telegraph has discovered. The average suburban household pays pounds 200 a year more council tax than those in the inner-city or countryside, while suburban firms contribute a large share of business rates.

Yet the suburbs receive below-par public services, with above-average class sizes in primary schools and the local NHS receiving pounds 60 a year less funding per patient.

Political leaders of suburban boroughs seized on the figures to demand more funding. Mike Freer, leader of Tory-run **Barnet council** in outer London, said: "Successful suburbs need a fairer deal. We don't get the investment in services and it's not fair that council tax payers should have to keep stumping up."

The findings follow the publication of a think tank report earlier this month which called for greater investment in suburbs, which were described as the "home of aspirational Britain".

The State of the Suburbs report, compiled by the Local Futures Group, identified 30 typical suburban authorities across England, all home to high concentrations of middle-class commuters. This newspaper based its findings on government figures for taxation and public service provision for the 30 areas.

A leading City expert endorsed the findings. Maurice Fitzpatrick, a senior analyst for the consultancy Grant Thornton, said: "There is no precise definition of what constitutes a suburb. But based on the published figures for the 30 councils examined by The Sunday Telegraph, the total outflow of tax from the suburbs to the rest of the country of around pounds 2 billion a year seems plausible."

An average household in one of the 30 suburban areas will pay pounds 1,310 in council tax in 2007/8, compared with an average of pounds 1,101 across the UK - a difference of pounds 209 per home or pounds 400 million in total.

According to the Chartered Institute of Public Finance and Accountancy, the 30 suburbs between them lost pounds 585 million last year through the system of "pooling" and redistributing business rates.

As fewer than half of the nation's suburbs were included in the 30 areas studied, when council tax and business rates are combined the total loss to suburbs is likely to exceed pounds 2 billion. The calculations do not include income tax or VAT receipts, which are likely to be higher in suburbs because their residents earn slightly above the national average.

Yet, despite all the taxes paid by suburban residents, figures show that they are allocated less public spending per head of population than urban or rural areas.

Education grants from Whitehall to local schools average only pounds 3,865 per pupil this year in the 30 suburbs, compared with the English average of pounds 3,888 - a shortfall of pounds 23. As a result, children at suburban primaries are taught in bigger classes, averaging 26.7 pupils compared with an average of only 26.2 pupils throughout England.

NHS funding to primary care trusts was pounds 63 per patient lower in suburbs. The Department of Health said: "It is right that areas with higher needs and higher costs get more money to reflect that."

Admittedly there is no strict definition but geographers say suburbs are home to four out of five Britons.

CASE STUDY: BOROUGH WITH BURSTING CLASSROOMS

REDBRIDGE, OUTER LONDON

Population: 239,000. Average house price: pounds 271,000

Problem: Primary school class sizes are the biggest in Britain

Analysis: Schools are funded from Whitehall via a complex formula which rewards deprived areas, those with many non-English speakers, and remote countryside. Suburbs seldom tick these boxes and so receive less funding. Redbridge schools receive pounds 4,027 per pupil, more than pounds 600 below the London average of pounds 4,655. Partly due to this, the average primary school class size is 29 pupils, against the English average of 26.2. A fast-growing population puts pressure on school places. Colin Whitehead, head teacher of Newbury Park primary, Redbridge, said: "Schools are at bursting point. We are finding that people are moving here from across London because we are achieving good results."

Resident's view: Sue Groom, 41, mother of Holly, 10, and Mikey, nine, both at Cleveland School in Ilford, Redbridge, said: "Both kids have 36 children in their classes. Their results are good, but there should be an upper limit on class sizes."

CASE STUDY: MOTHERS FACE

TRIP AS BABY UNIT IS SHUT

TRAFFORD, GREATER MANCHESTER

Population: 210,000. Average house price: pounds 233,698

Problem: Maternity ward at local hospital earmarked for closure

Analysis: The Government has embarked on a "centres of excellence" policy in NHS hospitals, closing smaller specialist units in order to concentrate services at larger hospitals - often in town or city centres. While ministers say that the initiative will improve the quality of care, campaigners claim that it is stripping smaller suburban hospitals of valued local services. Last month, the Health Secretary said four of Greater Manchester's 12 maternity wards would close. Trafford and Bury, two of the region's more desirable suburbs, are among the areas losing out. Women in Trafford must go eight miles into central Manchester to give birth.

Resident's view: Jane Brophy, 44, a Liberal Democrat campaigner, who had two babies at local hospitals and a third at home, said: "I'm disappointed that these changes are taking place, and that local people are not going to have these services."

Document STEL000020070917e39g0003p