

Rural Services APPG

**All-Party Parliamentary Group on Rural Services
6th December 2022 at 2:30pm-3:30pm**

Hybrid meeting: On-line via Zoom and in-person in Room M, Portcullis House

LOCAL AUTHORITY FUNDING IN RURAL AREAS

The purpose of the meeting was to welcome Lee Rowley MP, Minister for Local Government & Building Safety, Department of DLUHC, to discuss Local Authority Funding and the impact in rural areas of the Autumn Statement.

PRESENT

Lee Rowley MP, (Minister for Local Government & Building Safety)

MEMBERS

Rt Hon Philip Dunne MP (Ludlow) CHAIR
Anne-Marie Morris MP (Taunton)
Anthony Mangnall MP (Totnes)
Sir Bill Wiggin MP (North Herefordshire)
Danny Kruger MP (Devizes)
Daniel Kawczynski MP (Shrewsbury & Atcham)
Mark Pritchard MP (Wrekin)
Robert Courts MP (Witney and West Oxfordshire)
Sarah Dines MP (Derbyshire Dales)
Siobhan Bailey MP (Stroud)
Lord James Crathorne

REPRESENTING MEMBERS

Alex Cobb (Office of Rt Hon Philip Dunne MP)
Alice Richards (Office of Selaine Saxby MP)
Josh Brown (Office of Chris Lodger MP)
Tom Gordon (Office of Helen Morgan MP)

OBSERVERS

Cllr Roger Phillips (Chair of Rural Services Network)

In attendance from Secretariat

Graham Biggs MBE (RSN)
Kerry Booth (RSN)
David Inman (RSN)
Nadine Trout (RSN)

Bethan Aldridge – Minute taker (RSN)

Welcome

The Chair welcomed everyone to the meeting.

1. Apologies for Absence

Alicia Kearns MP (Rutland and Melton)
Brendan Clarke-Smith MP (Bassetlaw)
Chris Loder MP (West Dorset)
George Freeman MP (Mid Norfolk)
Neil Hudson MP (Penrith and The Border)
Helen Morgan MP (North Shropshire)
Peter Gibson MP (Darlington)
Lord Ewen Cameron of Dillington
Lord Rupert Carrington
Lord John Taylor

2. Discussion on Local Authority Funding in rural areas

Invited Guest: Lee Rowley MP, (Minister for Local Government & Building Safety) (see [Briefing Paper Rural Impacts of the Autumn Statement 2022](#) and [A Call for Action by Rural MPs ahead of the LG Financial Settlement for 2023/24](#))

The Chair welcomed the Minister and asked him to outline the current policy position of the government on Local Authority Funding in rural areas

The Minister gave his thanks for the opportunity to speak to rural MPs on this matter. He confirmed that the speed in which the new Government had been formed has meant that they have not enough time to consider this issue more thoroughly. Therefore, it is most likely that any changes will be for 2024/25 rather than 2023/24. Discussions are taking place internally, but it is hoped to let Councils know at a relatively early stage to allow them to plan.

GB explained that rural local authorities have been waiting for a number of years for the promised fair funding review. The funding formula changed in 2012/13 and then due to “damping”, 75% (on average) of that funding has been lost. If the fair funding review isn’t to take place for a further 2-4 years, rural areas are still being penalised by the existing formula not being applied. GB asked if this could be addressed now by potentially looking at the role of the Rural Service Delivery Grant (RSDG). GB noted that the RSDG is outside of the funding formula so it can be increased without changing any other calculations.

GB also referred to the point in the Autumn Statement Briefing Note where the permitted increase of 4.99% next year would cost rural residents more because already, due to the unfair funding, Council Tax was 21% higher in rural areas than elsewhere. However the amount raised in rural areas would be much lower than in urban areas.

The Minister listened to the concerns from the Rural MPs present which included the cost of Adult & Children’s Social Services and, due to being statutory services, its impact on other council budgets, transport issues, over reliance on increasing council tax, high cost of petrol etc, increased social exclusion. The higher cost-of-living in rural areas was also mentioned.

APPG members also raised issues regarding other funding streams such as Levelling Up funding and for bus improvements plans.

The Minister accepted there were challenges and issues with the funding formula and is very happy to work with the APPG and rural MPs on this in the coming months ahead. He wanted to articulate that he is grateful to Local Authorities for all they have done, and he hopes that the money that is coming is helpful. He wants to have further conversations about where this goes in years ahead.

The **Oflog** minister mentioned the new Office that was announced by Michael Gove in the summer, Office for Local Government (Oflog). Oflog will initially bring together, analyse and publish existing data to understand local government performance.

The Minister agreed to visit a rural Council who would 'open up their books' and go through their budget challenges with him.

The Chair thanked the Minister for attending the meeting.

3. Notes of Previous Meetings

Link to the APPG meeting – [19th July 2022](#)

To be discussed at next meeting

4. Date(s) of Next Meeting

AGM on Tuesday, 28th February 2023 at 2:30pm-3:30pm

Hybrid meeting in Room M, Portcullis House and via Zoom

Meeting finished at 3:10pm