

Rural Services APPG

Notes of the All-Party Parliamentary Group on Rural Services

Wednesday 3rd November 2010, 8:30am-10:00am
Dining Room B – HoC

In attendance:

Members:

Graham Stuart MP – Chairman
Lord Cameron of Dillington (Chair for the meeting)
Dan Rogerson MP
Peter Aldous MP
Roger Williams MP
Andrew Bingham MP
Philip Dunne MP
Lord Crathorne
Dr Therese Coffey MP

Rural Services Network (RSN) (Secretariat):

Graham Biggs – Chief Executive
Dan Bates – Director
Wendy Cooper – Administrator

Speakers:

Devon & Somerset Fire & Rescue Service
Peter Smith, Assistant Chief Fire Officer

Derbyshire Police

Terry Neaves, Director of Finance and Business Services

Easton College, Norfolk

David Lawrence, Principal

Apologies

Baroness Gibson, Baroness Byford, Rt Reverend the Lord Bishop of Hereford, Rt Hon Sir Alan Beith MP, Lord Taylor of Holbeach, Damian Hinds MP, Nadhim Zahawi MP.

1. **Notes of the Meeting – 7th September 2010**
Agreed.

2. Welcome and Introduction from the Chairman

Graham Stuart, Chairman, welcomed everyone to the meeting. He advised that he would be unable to stay for the whole meeting and therefore would hand the Chair over to Lord Cameron during the meeting.

3. Comprehensive Spending Review

Graham Biggs (Chief Executive) and Dan Bates (Performance Director) of the Rural Services Network (RSN) advised that the announcement on the Comprehensive Spending Review had been made and we now knew the global sums allocated to Departments and Services. However, until the individual government departments announced the specific allocations to each service provider the actual impact and degree of 'front end loading' of the budget reductions would not be known. The formulae used to allocate the funds remained of fundamental importance.

For local government the funding formula to be applied after the next two (or three) years would be reviewed in 2011 which gave RSN time to gather evidence and support to try to ensure fairer funding for rural areas in the future.

It was noted that ring-fenced monies were being reduced and funding settlements since 1997 had already seen a significant increase in funding to urban authorities – much more than in rural areas.

The DCLG consultation on changes to the formula to be applied in 2011 had now closed. A significant issue in that consultation had been the transfer of the administration of concessionary fares from districts councils to county councils resulting in significantly reduced budgets for rural authorities. This was a technical adjustment and did not affect the operation of concessionary fares/bus trips etc. 41 options had been consulted upon with only one (CONC F45) being acceptable to rural areas. District councils were the most vulnerable with a possible one quarter of their funding being lost in the first year. It was noted that Police and Fire Authorities were also affected by the change even though they did not deal with concessionary fares.

There was a separate consultation by the department for transport relating to changes to the reimbursement of concessionary bus fare cost to transport operators which was of great concern to rural bus operators with adverse impacts on rural bus services.

RSN would send a list of the affects to APPG Members to enable them to see how their particular areas were affected.

4. Funding Formula Concerns relating to non Local Government Rural Services

(i) Fire

Presentation by Peter Smith, Assistant Chief Fire Officer – Devon & Somerset Fire & Rescue

Whilst the Fire & Rescue Service were not afraid of looking at finding ways of improving their service, reduced budgets may result in a reduction in staff and therefore the closure of some fire stations. The facts relating to reducing rural fire service provision were:

- A delay of one minute in attending all incidents across the service area would annually incur 3 additional deaths and £6.3 million of additional community costs;
- 75% of businesses to not recover from a serious fire;
- In the first half of 2009, British Insurers paid out £3.6 million a day for fire damage;
- A 25% delay in attending a fire resulted in 100% increase in heat released.

Examples were given of the extended response times resulting from the closure of particular fire stations (e.g. Honiton, Tiverton, Frome), this generally resulted in an increased response time of 8 minutes. An assessment of the life and cost impact for these closures was presented and whilst the service itself would show budget savings there would be a net annual cost to the community as a whole.

It was noted that the budgets for urban fire services were comparable to that of rural services however the number of stations provided in rural areas was significantly higher.

The following points were clarified from questions:

- a. No final budget figure was currently available however Devon & Somerset F&R were looking at a potential 25% reduction over 4 years resulting in a loss of £2.75millions.
- b. Regional call centres, administration reduction and shared procurement opportunities were already being considered together with working with neighbouring Services, however services needed to weigh up centralised v local with respect to procurement.
- c. Fire Services at sea were covered by specially trained officers that were shipped out to the relevant location. Some land officers were trained to deal with fires quayside.
- d. Private Finance Initiatives were already operating however it was recommended that for future initiatives expert help be brought in to draw up contracts with private companies as fire service personnel were not experienced in this area.
- e. Integration between emergency services was considered with some co-responding in operation however the Fire Brigade's Union was opposed to joint working. It was noted that the Fire Service covered first response in partnership with the Ambulance Service the cost of which was covered by the Fire Service.

(ii) Police

Terry Neaves, Director of Finance and Business Services - Derbyshire Police

Terry Neaves made a presentation on the damping mechanism and its impact on policing. The damping mechanism was intended to protect the poorest from significant grant losses and provided a transition to new funding formula by guaranteeing every authority an increase in grant (2.5% for the last 4 years), known

as the Floor. However the mechanism had never been reviewed which resulted in a number of issues:

- Authorities that proved the need for more funding lost out as the average grant was brought down. Two thirds of Police funding came from grant and one third from Council Tax with no other income generating ability;
- The floor was different for each type of authority with no transition for the Police to reduce the floor as with other authorities;
- It was not a level playing field as some police authorities received 50% from council tax and some less, those with a higher grant reliance lost out;
- The most important data for the formula calculation was population census figures which were slow to catch up with actual population resulting in the formula itself being slow to react.

The Police Service the grant funds in 2010 is very different to the service it funded in 2000 however the damping mechanism prevents police grant responding to this.

The damping mechanism – which, in practise, does not protect the poorest funded police authorities - needed to be changed with consideration of the following issues:

- Is stability the most important factor?
- Is there a better way to phase in grant changes?
- Even in a period of grant reductions?
- Does stability mask bigger risks elsewhere?

(iii) Education -Further Education in a land based and rural context

David Lawrence, Principal – Easton College, Norfolk

David Lawrence made a presentation on “The potential lost generation – impact of reductions in 16-19 rural transport and learner support”.

Learners living in remote rural areas are very dependent on transport or residential bursary support to access an appropriate range of provision. Local Authorities currently have a duty to identify what is required to enable students to access the education and training of their choice and to ensure appropriate provision is made, this does not extend to transport provision. The statutory guidance regarding post 16 transport was currently under review by the Department for Education. This discretionary transport expenditure by local authorities has been under significant pressure with budget cuts for some time. A relatively small number of learners are supported and therefore reductions could be seen as having little impact, however the impact on individuals could be severe. A decrease in this funding will result in learners from more rural areas having less choice and in some cases this will lead to an increase in NEET levels. Currently individual learners are contributing half the costs of this transport in Norfolk (£398 per annum) under current proposals this would increase to over £780 per annum and at the same time many would lose their entitlement to an Educational Maintenance Allowance. The impact will be exacerbated for those on low incomes as they have been able to get additional support with transport costs and or residential bursaries coupled with the fact these families are least likely to be able to provide alternative transport. Learners with

learning difficulties or disabilities could be the most severely affected as they currently pay the same contribution rates as any other student but the full unsubsidised cost in Norfolk for these learners would be circa £3,000 per annum per student.

It was believed a very significant reduction in post 16 transport and bursary funding could be catastrophic for some providers. The importance of this financial support is critical in terms of ensuring young people in rural areas are not subject to discrimination based on where they live. Learners will have less choice and will not be able to attend colleges which could substantially challenge the government's ambition for full participation in full time education or training to age 18 by 2015. Individual learners' career choices will be affected as a result and this could have very specific negative issues in terms of recruitment to more technical and or specialised industries.

5. General Discussion including the possibility of the APPG conducting further 'Inquiry Sessions' into funding formulae

The following actions were agreed at the meeting:

1. RSN to supply APPG members with the details of Predominantly Rural District and Unitary Councils which would suffer significant financial loss if any of the options (other than CONC 45) for transferring the administration of Concessionary Fares from Districts to Counties is implemented.
2. The Chairman to write on behalf of the APPG and APPG Members to press Ministers and jointly request debates on the Concessionary Fares issues being:
 - (a) the change referred to in 1 above; and
 - (b) the current consultation about changes to the way Transport Operators are reimbursed.
3. The Group to press CLG for inclusion in the Resources Review due to commence in January 2011 a full review of the costs associated with rurality (the extra costs of providing services in rural areas associated with population dispersal and settlement patterns). This to include Police and Fire Services.
4. The Group to press CLG for a review of the service impact of the current damping mechanisms – again to include Police and Fire.
5. The Group to press for better consideration of 16+ transport (for education and training purposes) in rural areas.
6. Invite volunteers from the Group to conduct a short 'Inquiry' into Further Education funding of rural FE Colleges.
7. Invite relevant Defra Minister to a meeting of the Group (to be arranged as soon as possible) to explain how Defra will fulfil its 'Rural Proofing Role' across government.

6. Next Meeting

To be arranged.