

Rural Services APPG

**All-Party Parliamentary Group on Rural Services
13th October 2020 at 4:15pm
On-line via Zoom**

COMPREHENSIVE SPENDING REVIEW (CSR)

The purpose of the meeting was to discuss the APPG's submission to the Chief Secretary to the Treasury, The Rt Hon Stephen Barclay MP as part of the CSR process with

PRESENT

Rt Hon Stephen Barclay MP (Chief Secretary to the Treasury)

MEMBERS

Rt Hon Philip Dunne MP (Ludlow) CHAIR

Jerome Mayhew MP (Broadland)

Selaine Saxby MP (North Devon)

Greg Smith MP (Buckingham)

Lord Ewen Cameron of Dillington

Lord John Taylor of Holbeach

Meg (Office of Selaine Saxby MP)

Aled Maclean-Jones (Special Advisor, HM Treasury)

Paul Mills (HM Treasury)

Arthur Virgo (Office of Rt Hon Philip Dunne MP)

OBSERVERS

Tim Bonner (Chief Executive, Countryside Alliance)

Tom Bradshaw (Vice-President, National Farmers' Union)

Duncan Carter (Corporate Affairs Manager, Calor Gas Ltd)

Margaret Clark CBE (Chair of the Rural Coalition)

Lizzi Hearn (Campaigns and Policy Officer (Housing and Economy, CPRE)

Jeremy Leggett (Policy Advisor, ACRE)

In attendance from Secretariat

Graham Biggs MBE (RSN)

David Inman (RSN)

Bethan Aldridge – Minute taker (RSN)

Apologies for Absence

Chris Loder MP (West Dorset)

Julie Marson MP (Hertford and Stortford)

Tom Tugendhat MBE MP (Tonbridge and Malling)

Baroness Watkins

Bishop Alan (St Albans)

Bishop Christine (Newcastle)

Bishop Stephen (Ely)

Lord Best

Sarah Lee (Countryside Alliance)

1. Introduction

The Chair welcomed everyone and confirmed that the next APPG meeting on Digital Connectivity had been deferred from the 28th October to the 3rd November. It was hoped that another APPG meeting would be held in late November on the Planning White Paper and how it affects rural areas.

Also, the Chair wished to raise awareness regarding the Private Members Bill that he was publishing on Sewage (Inland Waters) to tackle river pollution from untreated sewage and improve water quality. Tom Bradshaw welcomed this and confirmed that the NFU would definitely support this.

2. Update on Spending Review Process – Chief Secretary to the Treasury

The Chair welcomed the Chief Secretary to the Treasury to the meeting and noted that those attending the meeting were members of the APPG and a selection of supported organisations.

He explained to the Chief Secretary, that Liz Truss MP, the former Chief Secretary, had asked the APPG to make a submission previously so that the spending review could be rural proofed. The Chair hoped that that the current Chief Secretary would be sympathetic and encourage us to do more.

The format for the meeting today was to look at the brief submission paper prepared by the APPG and for members of the APPG to give an overview on three subject areas. The Chair asked the Chief Secretary where the spending review sits following the delay to the Autumn budget.

The Rt Hon Stephen Barclay MP, Chief Secretary to the Treasury, thanked the Chair for inviting him to the meeting. He had read the APPG submission and found it helpful. As an MP who represents a rural area, he was not looking at it in isolation and was aware of the challenges from a place-based perspective. The government is looking at funding and delivery. The Prime Minister has an ambitious target for projects and wishes to move with speed and short, hard planning and needs to know that the regulators are responsive to need. He gave an example re phone coverage and the need to accelerate deployment.

The Chief Secretary noted that the connection of digital systems was a great opportunity for health professionals to see patients on-line and currently there had been an increase from 3%-90% in the use of on-line appointments. He also made reference to net zero and jobs plus linking into skills training at places of further education.

The Chief Secretary did comment that it would be remiss of him not to caution and point out the wider fiscal position..

The Chair asked about timeframes and if there would be a two-step review ie December to next year and then a longer period. The Chief Secretary confirmed that the Treasury was working on a multi-year settlement and the Spending Review would possibly be announced mid-November this year.

3. APPG submission to Spending Review

3.1 Broadband and mobile connectivity – Rt Hon Philip Dunne MP

The Chair commented that with rural connectivity, there had been a clear commitment to get broadband to all parts of the country. But that for some, the lived experience was woeful. The Universal Service Obligation (USO) had raised expectation and the voucher system put in place funding. However, the dominant provider was charging so much for connection that rural people and businesses were scared to commit. How do we get the £5bn commitment out to communities?.

The Chief Secretary agreed that this was a fair point and that the government had given significant clout to these financial settlements and not just the £5bn but also £500m for 4G connection to 5 million people and for DCMS to deliver this. It was important to know where the projects were, to get DCMS to move on this and facilitate project speed.

The Chair also commented that emergency service capacity on rural networks was great but many masts were not switched on. The switch from analogue to digital also meant that people need to know that they risk losing access if digital cannot be delivered.

The Chief Secretary informed the meeting that Ofcom is looking into this in the round. Re emergency services, PAC is looking at this as there are some concerns with the delivery of this programme and falls into CSR discussions. The costs are currently increasing and the timescales have moved back.

3.2 Energy infrastructure and decarbonisation – Jerome Mayhew MP

Jerome Mayhew MP explained that his focus was on environmental and decarbonisation to achieve Net Zero by 2050. He noted that in rural areas some housing is not connected to gas but in fact relies on oil or LPG for heating. The cost of insulation is high with an estimate of £2bn needed to fund this. He felt that the push by the government for rural decarbonisation ahead of urban areas was topsy-turvy and did not take into account issues if the household was not supplied by gas. The most likely solution was to turn to green gas but that a taxation incentive ie “fiscal carrot” was needed to encourage the instalment of more expensive heating systems.

Jerome also raised the need for an electric vehicle transport network in rural areas that included public charging points. It is a challenge, he said, but we need all rural areas to be included in a funding strategy. It was also important to highlight hydrogen technology for HGV and farm vehicles.

With regard to Local Energy Networks, Jerome stressed the value of this in regard to community cohesion but help was needed with gap funding due to the higher costs involved. There was a lot of support for this initiative and to facilitate this a bill was going through currently and it would be great if the government would get behind it.

Also, Jerome concluded that in order to reduce carbon emissions, it was really important to look at digital services and reduce the need to travel for food, shops etc and keep local.

The Chief Secretary commented that he too lived in a very small hamlet, he did understand the issues raised and he was one of those not on the gas grid. He stressed that the government was providing a green gas support scheme but currently the country is in a severe economic position and agreed the issues and challenges were different for rural. With regard to electric vehicle charging, this requires a cultural change as he was aware of a council not wanting to engage in this. There needs to be understanding from government too that the roll out is different in rural to urban and that levelling up includes rural areas and is not Manchester becoming London.

3.3 GP access – Greg Smith MP

Greg Smith MP agreed that levelling up between rural and urban areas was needed as much as that between North and South of the country. He was particularly pleased with the levelling up of school funding in his constituency. However, it was important now to do the same for GP services. There was a valid point for moving down the digital route but there was still significant push back from older patients to going digital completely.

GP surgery closures were widespread in primary care and the move was towards super surgeries in towns. They are funded on the same model as surgeries in local villages. It was important to level up on primary care funding and Greg asked if there was a way to stimulate GP/CCG partnerships to stay in village locations rather than have to drive to see your GP which goes against the Net Zero policies and would be a big win for communities.

The Chief Secretary commented that it takes seven years to train a GP at a cost of a £½m. GPs

have found that in the current situation, people don't want to go their surgeries in the same numbers and more consultations have been made on-line. It has made GPs more productive and they do not wish to return to the previous way of working. For care homes, the frequency of calls for ambulances has been reduced using telemedicine. There has been a big investment in this area and everyone want to see productivity increase. There is a need for more digital skill training.

The Chief Secretary noted that the debate about acute , GP and Community Hospital settings does not get much air-time. We need to ask – what do we do that we do not need to in an acute setting. Scans and diagnostics can be done in the local surgery rather than travelling further to hospital.

Greg agreed that it was important to keep day-to-day services in a village ie blood test, baby health checks etc the things that can not be done digitally but done physically in person.

The Chief Secretary stressed that it was important to be treated locally wherever possible and where it is most convenient to be seen in the local community and also to look at the right treatment ie the Step Up Step Down model of care.

Additional Discussion Point

The Chair wished to bring in Lord Cameron at this point as he wanted to discuss support for entrepreneurial rural businesses. Lord Cameron stressed that 29% of these businesses were in rural areas and of those, there were more in the manufacturing sector than in urban areas. Also, 9% of these, in comparison to 5% in urban areas were run by the self-employed and in fact it was 28% in Cornwall.

These businesses need help and support to access better training and an active promotion of their economic worth. The MHCLG, LEPS and the Shared Prosperity Fund need to show rural areas as an engine power house.

The Chief Secretary agreed and said the government had introduced the universal Kick Start scheme, there had been a tripling of traineeships and a lot of buy-in to apprenticeship schemes. The challenge was that FE's need to be joined up with the growth in jobs i.e. sectors that employ predominately young people e.g. hospitality. We now need Net zero jobs but are we getting skills aligned with where the work is. There is concern in the increase of unemployment and rural unemployment gets less political focus – it is not just numbers but the duration of the unemployment. The government is looking at certain sectors to ensure there is a skills package and a doubling of work coaches.

The Chair noted that there is a concern where businesses are making redundancies that they then cannot take on apprenticeships. He queried whether the Apprenticeship Levy funding scheme could consider apprentices being funded by the place of learning rather than the employer.

4. Next Steps

The Chair concluded that the APPG was happy to meet with the Chief Secretary again and discuss further any points or consider new ones eg housing etc.

The Chief Secretary confirmed that he was keen to work with the APPG and was very aware of the challenges that face rural communities. He was also keen to tap into the talent on the call and to understand what can be done better to streamline and deliver on project speed and spend in a more effective way. He would like everyone to identify areas where we were not getting value for money.

5. Date(s) of Next Meeting

Tuesday 3rd November 2020 at 10:45am-11:45am

Topic: How to level-up digital connectivity to rural communities

Speakers: Matt Warman MP (Minister for Digital Infrastructure) and Gareth Elliott (Head of Policy and Communications, Mobile UK)

Meeting finished at 17:10pm.