
Agenda

SPARSE Rural and Rural Services Network Executive and Board of Director of the Rural Services Partnership Ltd meeting

Incorporating SPARSE Rural Members, Rural Assembly and Rural Services Partnership Members. All nominated members & officers of RSN are invited to attend this meeting.

Hosted: Online via Zoom
Date: Monday, 11th January 2021
Time: 11:15am – 2:30 pm

We will circulate an email with Zoom joining instructions in advance

- 1. Attendance & Apologies.**
- 2. Notes from the previous RSN Executive meeting.** (Attachment 1)
Held on 28th September 2020 to consider any relevant updates and approve the minutes.
Main issues discussed:
 - 2.1.** Revitalising Rural: Realising the Vision.
 - 2.2.** Rural/Market Towns Group – Update.
 - 2.3.** Subs for 2020-2021.
Matter Arising
In view of the public sector ‘pay freeze’ the 2021/22 subscriptions should, it is recommended, revert to a 2% increase – plus the final year of the staged increases (rather than 2.75% previously agreed).
 - 2.4.** Engagement with Member Councils and Nominated Members.
 - 2.5.** RSN draft response to the ‘Changes to the Current Planning System’ Consultation which closes on 1st October.
 - 2.6.** RSN’s response to the ‘Planning for the Future’ consultation which has to be submitted by the end of October 2020.
 - 2.7.** To approve the RSN response to the Treasury regarding Comprehensive Spending Review.
 - 2.8.** A Plan for Jobs: Rural Analysis.
 - 2.9.** Rural Economy Toolkit.
 - 2.10.** National Rural Conference 2020.
 - 2.11.** Fire meeting 2021 and engagement with Fire & Rescue Services.
 - 2.12.** RSN Meetings & Events 2021.
- 3. Rural Service Groupings withing the RSN Structures.** (Attachment 2)
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Report to RSN Executive by David Inman, Corporate Director.

4. **Provisional Settlement 2021/22 Draft Consultation Response.** (Attachment 3)
Draft consultation response to follow. (Attachment 3A)
5. **Revitalising Rural: Realising the Vision.**
[Please click here to access campaign papers.](#)
Update on launch arrangements.
6. **Rural/Market Town Group update.** (Attachment 4)
Report to RSN Executive by David Inman, Corporate Director.
7. **RSN Budget Reports.**
 - 7.1. Budget vs actual as at mid-December 2020 and estimate 2021/22. (Attachment 5)
 - 7.2. Draft Estimates for the four years 2021/22 to 2024/25. (Attachment 6)
8. **Review of Recent Government Publications ‘Through a Rural Lens’.**
 - 8.1. **Spending Review 2020.**
[Please click here to access article ‘Comprehensive Spending Review – Key Rural Concerns’](#)
The issues regarding [reduced budget for gigabit broadband rollout](#) will be discussed at the meeting.
 - 8.2. **National Infrastructure Strategy through a Rural Lens.**
[Please click here to access article ‘The National Infrastructure Strategy 2020 Through a Rural Lens’.](#)
 - 8.3. **The Ten Point Plan for a Green Industrial Revolution.**
[Please click here to access the ‘Ten Point Plan for a Green Industrial Revolution’.](#)
9. **Review of the Green Book: Towards a Greener Green Book Process – Introductions and Summary Section.** (Attachment 7)
10. **National Rural Conference 2020.** (Attachment 8)
Report to RSN Executive by Kerry Booth, Assistant Chief Executive.
11. **Any Other Business.**
The next RSN Executive meeting date is Monday, 15th March 2021.

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Minutes

SPARSE Rural and Rural Services Network Executive and Board of Director of the Rural Services Partnership Ltd meeting

Incorporating SPARSE Rural Members, Rural Assembly and Rural Services Partnership Members. All nominated members & officers of RSN are invited to attend this meeting.

Hosted: Online via Zoom
Date: Monday, 28th September 2020
Time: 11:15am – 2:30pm

Attendance:

Cllr Cecilia Motley (Chair)	Shropshire Council / Rural Services Network
Graham Biggs	Rural Services Network
John Birtwistle	FirstGroup plc UK Bus Division
Cllr Malcolm Brown	Cornwall Council
(attended on behalf of Cllr Adam Paynter)	
Kerry Booth	Rural Services Network
Martin Collett	English Rural Housing Association
Nik Harwood	Young Somerset
Cllr Robert Heseltine	North Yorkshire County Council
David Inman	Rural Services Network
Cllr Roger Phillips	Herefordshire Council
Anna Price	Rural Business Group
Cllr Mary Robinson	Eden District Council
Cllr Sue Sanderson	Cumbria County Council
Cllr Peter Stevens	West Suffolk Council
Cllr Peter Thornton	South Lakeland District Council
Nadine Trout	Rural Services Network
Cllr Mark Whittington	Lincolnshire County Council

Apologies:

Cllr Gill Heath	Staffordshire County Council
Cllr Adam Paynter	Cornwall Council
Cllr Jeremy Savage	South Norfolk Council
Cllr Trevor Thorne	Northumberland County Council
Cllr Rob Waltham MBE	North Lincolnshire Council

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1. Notes from the previous RSN Executive meeting held on 2nd July 2020.

(Attachment 1)

Agreed as a correct record.

Matters Arising:

- 1.1.** The Devolution White Paper will be issued later in the year, or at the start of the New Year.
- 1.2.** Some felt that the Fair Funding Review, which had been delayed once, would be further delayed with a 'hold over' LG settlement occurring for 21/22.
- 1.3.** The Comprehensive Spending Review may now just be relating to the 1 year and not be the exercise spanning the life of the current Parliament as initially intended.
- 1.4.** The Pixel study into 'remoteness' referred to in the minutes will begin shortly. Pixel will be contacting 4 or 5 authorities asking if they would like to participate and provide evidence of additional costs associated with remoteness.

2. Revitalising Rural: Realising the Vision. (Attachments 2 & 2A)

[Please click here to view all campaign documents¹](#)

The Chief Executive outlined the current situation. Apart from the Fair Funding document (which will be circulated to the RSN Executive members for approval when it becomes available) members expressed their approval both for the chapters and the campaigns approach.

There had been a strong response from RSN members and considerable involvement in the consultation from several members too. It is felt to be a substantial document but one that fully reflects member input.

Going forward to keep the document alive and current it will be important to incorporate on-going consideration of all chapters into all appropriate RSN meetings. It was recognised that keeping the document updated and current would provide a constant challenge as matters move on quickly and this needed to be a rolling plan to reflect this. A Dissemination Plan is being developed and discussions held with Lexington about media coverage. RSN Executive members would be kept updated on progress.

Members congratulated the officers and Brian Wilson on what is a truly comprehensive document. They felt it had been produced with a high standard achieved in all chapters.

Suggestions made:

¹ <https://www.rsnonline.org.uk/revitalising-rural>



- It was felt the word 'reform' might be an appropriate term to use in some areas as opposed to the word 'change'.
- Councils need to be consulted about their views on current Government planning proposals. Their views will need to be considered when updating the Revitalising Rural document.
- National lockdown situation emphatically emphasised the need for comprehensive good standard broadband and the need for the Universal Service Obligation to be improved, including consideration of affordable connectivity.

3. **Rural/Market Town Group – Update.** (Attachment 3)

Corporate Director, David Inman made a presentation showing the membership achieved to date and showing the distribution of RMTG members across RSN membership.

- 3.1. Our initial aim has been to recruit parishes and towns with a population ranging from 3,000 to 30,000 into the Rural/Market Town Group. The larger of these towns have been identified by Defra as Rural Hub Towns. In the future it possible that ceiling figure of 30,000 will increase after the 2021 census results.
 - 3.2. We currently have 119 parishes and towns in membership. 75 are paying members, 40 are on a one-year free trial membership. The sub for membership varies in accord with community population:
 - Towns with population size of 5,000 charged £110 per year.
 - Towns with population size between 5,000 and 10 000 charged £130 per year.
 - Towns with population size of 10,000 and over charged £150 per year.
 - 3.3. The initial purpose of this initiative was recruit as many members across England following the c200 rural areas that Defra have identified as rural areas of reasonable size across England. The first invites covered all these areas. Obviously as would be anticipated success has been mixed. Where a Local Council has declined, we have sought out a substitute. If that substitute has declined, we have sought a further town or parish substitute.
 - 3.4. At the last RSN Executive members requested that every RSN member has at least one RMTG member in their area. Currently this is the case in respect of about 100 of our current 123 member areas.
 - 3.5. Some of the 200 Defra rural areas have no or few market 'towns' and in those cases, we have engaged in discussion with larger parishes. The current group is made up of 87 % local councils named 'town' and 13% local councils named 'parish'.
- David noted that terminology regarding town and parish varies, and in the SE in particular the phrase local councils prefer is 'parish' despite its size, when the phrase 'town' is more likely used in other regions.

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- 3.6. During this recruitment exercise process the government has been 'hinting' at its enthusiasm for a move towards Unitary Local Government model. Time frame and methodology are likely to be considered in the promised Devolution White Paper, seemingly to be issued prior to the end of 2020. Although it may be that the drive to Unitary is not to be as extensive as once was recently surmised; it is likely that even the narrower Unitary system being suggested might still influence our foreseen income situation.
- 3.7. As with all our services the role and the focus on the RMTG (and indeed local councils as a whole) will need to be revisited in the context of such relevant passages in the Devolution White Paper as we seek a widening of the RMTG's membership and scale of operation at that time. Local groups of market towns within a Region or County or Unitary Council area, where they do not exist currently, could become a possibility to look at. It is felt they would need to involve annual meetings (conducted virtually for each such grouping). In the meantime, it is clearly important to do all we reasonably can to maintain membership at the current or if possible, at an increased level.
- 3.8. A review of the existing 'categories' of membership of the Rural/Market Town Group will be undertaken and considered at the next RSN Executive meeting on 11th January 2020.

4. Subs for 2020-2021.

Members considered the position very fully and decided the increase to be recommended to the Annual General Meeting for 'inflation' would be one of 2.75% to match the pay award for local government staff to which RSN staff contracts were tied.

5. Engagement with Member Councils and Nominated Members. (Attachment 4) Report from Graham Biggs, Chief Executive.

During the previous 2nd July RSN Executive meeting, members considered and recommended the introduction of a series of supplementary individual online Zoom meetings with each RSN member authority based largely around greater focus on the nominated member role. The recommendation has been subject to the staff giving consideration as to how this would be undertaken, and the additional workload involved. The Chief Executive reported this has now been successfully done. It was agreed the system would therefore be adopted. A report would be given to the RSN AGM on 16th November outlining the system for all Local Authority members of the RSN.

6. RSN draft response to the 'Changes to the Current Planning System' Consultation which closes on 1st October.

The RSN draft response was approved.

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- 6.1. Members expressed real concern about Government's proposals, particularly regarding housing. It was felt that organising the RSN Discussion Event on the Planning White Paper for the 20th October is timely. The RSN Executive strongly held the view that affordable house renting schemes are in urgent need in rural areas. Current Government suggestions relating to quotas from development sites were very disappointing in that context.
- 6.2. It was agreed that a Special RSN Executive meeting on Housing will be arranged in November to discuss rural housing policies we should be promoting.
- 6.3. **Members noted that a future APPG is seeking to invite the Secretary of State or a Minister to a special APPG in November to discuss the planning proposals for which the date is yet to be set.**
- 6.4. **It was felt micro policy was likely to affect macro areas, and at this stage there was obviously no attempt at rural proofing policies.**

[Please click here to view RSN's draft response to the MHCLG Consultation: Changes to Planning Policy and Regulation²](#)

7. RSN's response to the 'Planning for the Future' consultation which must be submitted by the end of October 2020.

A specific seminar for RSN members - RSN Discussion Event on the Planning White Paper has been arranged for Tuesday, 20th October. RSN will prepare a draft response and circulate to attendees at that meeting for consideration. We will consult RSN Executive members by email on the draft response before submission.

8. To approve the RSN response to the Treasury regarding Comprehensive Spending Review.

This has been considered by the RSN Executive members via email. This item was added to agenda to get a formal resolution of the RSN Executive to approve the submission which had to be made by 24th September.

[Please click here to view the final submission paper sent to the Treasury³](#)

[Please click here to view Appendix with supporting information paper⁴](#)

It was formally resolved, and the document was unanimously agreed.

9. A Plan for Jobs: Rural Analysis.

The analysis of the Treasury Plan for Jobs from a rural perspective was noted and endorsed by the RSN Executive.

² https://rsnonline.org.uk/images/changes_planning_system_consultation.pdf

³ https://rsnonline.org.uk/images/FINAL_CSR_SUBMISSION_Aligned_to_.pdf

⁴ https://rsnonline.org.uk/images/Supporting_Information_to_RSN_CS.pdf

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[Please click here to view attachment on A Plan for Jobs: Rural Analysis](#)⁵

10. Rural Economy Toolkit.

The Rural Economy Toolkit produced by the RSN and Institute for Economic Development was noted and endorsed. This was discussed during the Rural Economy Plenary Session of the National Rural Conference 2020 and it will be put to the Rural Economy Sub-Group meeting on Monday, 12th October.

The Rural Economy Toolkit will officially be “launched” at a joint RSN/IED webinar on Monday, 19th October.

[Please click here to view the Rural Economy Toolkit](#)⁶

11. National Rural Conference 2020.

The meeting received a verbal report from Kerry Booth, Assistant Chief Executive. There had been 8 sessions in total spread over the 5 days. The conference week has been extremely successful. Nearly 400 people attended sessions held throughout the week, which is a significant increase in comparison to previous years of running the conference live. The number of officers attending the online conference has massively increased in comparison to previous attendance of the live conference.

Kerry and the staff were congratulated on the week which had been a real success.

12. Fire meeting 2021 and engagement with Fire & Rescue Services.

It seemed certain there would be no LGA Fire Services Annual Conference this year and therefore no opportunity to hold any physical meeting of the Rural Fire Group at the end of the Conference, as had happened in previous years.

It was decided that RSN would seek to set up a Zoom event in place of this Group Meeting which Councillor Roger Phillips would chair. RSN would work to do this during the coming months. The Chief Executive stressed the need for the group to try to present the rural angle in respect of the Fire Settlement whether this was through the existing formula arrangements or any new system being established by the Home Office.

13. RSN Meetings & Events 2021.

- RSN Seminar Programme 2021. (Attachment 5)
- RSN Meeting Programme 2021 and Schedule of Dates. (Attachment 6)

⁵ https://rsnonline.org.uk/images/Revitalising%20Rural/RR%20Final%20Docs/A_Plan_for_Jobs_Rural_Analysis.pdf

⁶ https://rsnonline.org.uk/images/Revitalising%20Rural/RR%20Final%20Docs/Rural_Economy_Toolkit.pdf

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- 13.1.** Attachments were considered. Due to the recent move to online events, seminars will now focus on topics rather than regions, and will be run online, allowing RSN to engage all our members nationally. Each year we will run 9 seminars.
- 13.2.** In terms of forthcoming meetings there were:
 97 people currently booked for SPARSE Rural meeting;
 130 for the Rural Economy Sub-Group meeting;
 89 for the RSN Seminar: Rural Vulnerability; and
 103 for the RSN Discussion Event on the Planning White Paper
- 13.3.** Online event registrations were considerably more than usual statistics. The meeting agreed the Programme to be put to the 16th November RSN AGM for consideration.
- 14. RSN Budget Report.** (Attachment 7)
 Report was noted.
- 15. RSP Full Accounts; Appointment of Tax Accountants and Appointment of RSP Ltd Chair of Directors.** (Attachment 8)
 This item involved only those who were RSP Directors and only RSP directors voted on this item.
 The Directors considered the papers and accounts put before them.
Agreed:
 Nick Harwood was proposed by Cllr Cecilia Motley, seconded by Graham Biggs as the RSP Chair for 20/21. Motion carried.
 Tax Assist were proposed to continue as RSP Tax Accountants for 2020/21. Motion carried.
- 16. Any Other Business.**
- 16.1. All Party Parliamentary Group Business**
Graham Biggs outlined future events:
- **APPG for Rural Services meeting – 3:30pm-4:15pm, 13th October 2020**
 Featuring Rt Hon Stephen Barclay MP, the Chief Secretary to the Treasury.
 - **APPG for Rural Services meeting – 11am-12:30pm, 28th October 2020.**
 On how to level-up digital connectivity for rural communities with Matt Warman MP, Minister for Digital Infrastructure and Gareth Elliott, Head of Policy and Communications at Mobile UK.
- 16.2. The Chief Executive reported that English Rural HA, CPRE and RSN had commissioned a study into the economic and fiscal case for the Government investing in affordable rural housing.** Cost to the RSN

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£2000. As the Chief Executive of English Rural HA, Martin Collett declared an interest in this matter.

- 16.3.** Martin Collett asked how the staff were coping in these days of pandemic and working from home. He wished it to be recorded that if it were felt there was anything the Executive could do to assist their welfare the Executive would be delighted to try to assist them.

The next RSN Executive meeting date is Monday, 11th January 2021.

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Rural Service Groupings within the RSN Structures
 Report to the RSN Executive (Monday, 11th January 2021)
 from David Inman, Corporate Director

Part 1: Background

In summer 2020 the Executive looked at a Report from the Group's Corporate Director about Engagement with Member Councils and about Towns and Parishes. In relation to the area concerning involvement of Local Councils/Towns the Executive Meeting resolved as follows:

- 1.1. To try to recruit to the RSP Rural/Market Towns Group at least one Town within each member area - thus, hopefully, materially widening this emerging new Grouping.
- 1.2. A system of local social & economic profile of our Principal Council's area to be established to support engagement with the Rural/Market Towns Group members in those areas.
- 1.3. The Executive will at its next meeting review the existing 'categories' of membership of the Rural/Market Towns Group.
- 1.4. The suggestion of creating an English Rural Parishes Group was not endorsed at this juncture. The issue would be considered further if the future role and responsibilities etc. of Parish Councils is set out in the Government's proposed Devolution White Paper.¹

This report follows up on that area of minutes.

The essential message in the July paper was that it was very necessary for RSN for membership retention (and therefore budgetary reasons) to show the depth of its 'essential' English rural activity and influence at a time when across the Principal Council membership every 'discretionary' subscription was being examined annually.

As a group we had to show how vital the Group now was as only through its activities could the rural service case be expounded from the base of rural community through to national decision makers.

Part 2: 'Categories of Membership of the Rural/Market Town Group (Minute 3, Part 1 above)

- 2.1. The formation of a Rural/Market Town Group (RMTG) has proceeded. At the time of the writing of this report there are some 140 members. The ambition to have one town from each member area is challenging but we are some 75% of the way with over 100 of those Towns coming from our 121 member areas.
- 2.2. The phrase 'Rural Market Town' is well known in the development of rural areas over

¹ The Devolution White Paper has been delayed by the Government and its timing is now less certain than was first envisaged – Spring 2021 is now being muted.

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- the centuries. It provides an important synergy with the pattern of historical development in most areas with one settlement acting as a well – established service centre for its surrounding rural area or areas.
- 2.3. In the late 1980s this was recognised by the establishment through lottery (and government) money of an Association of Market Towns (AMT) which brought many of those Towns together to argue their case. However, this eventually foundered because of lack of on-going support once the lottery funding ceased financial backing. There is therefore a precedent through the Market Town name for what we seek to do which has assisted us in the RMTG development.
 - 2.4. In establishing this grouping, it was therefore felt appropriate for the Rural Services Network to take on the Rural/Market Town mantle because that market town phrase relates to the larger settlement centres from which local services both emanate and are available for the surrounding rural population. They are the local service hubs for their accompanying areas.
 - 2.5. As other organisations have closed down RSN is now the only organisation in the country to represent on a day-to-day basis the overall service fabric of rural areas and continually argue the rural case. This has become a wide brief - wider than directly representing the interest of member's as service deliverers - although operationally there is probably little difference as the RSN has for a long time made representations on matters affecting rural communities and businesses more generally. However, whilst it may now have this national role the organisation can only operate based on subscription support from every possible quarter. This report seeks to set out an opportunity for all those across rural England with a rural service provider role to align themselves with this service cause and be involved with us but at an appropriate subscription level.
 - 2.6. There are some 190 mainly separate areas which Defra identify as rural which are classified as rural even though, because of the way they have evolved, they have some differing characteristics. To be said to represent the entirety of England's rural areas and have the recognition of doing this RSN would be best to try to include as many of the country's rural service 'hub' centres serving those rural areas as is possible.
 - 2.7. We are looking at local council structure operating with a relatively low subscription base but hopefully in a group with widespread membership to ensure its viability.
 - 2.8. RSN has grown much of its strength and reputation through its weekly Bulletin service coupled with its ability to stretch from grassroots to Parliament through its free Community Associateship for rurally based organisations (including local councils) based in RSN Principal Authority District and or Unitary member areas. This has given the Bulletin service and indeed RSN itself a significant following.
 - 2.9. The use of the Rural Market Town phrase and indeed the name of the Rural Services Network with the emphasis on services has however blurred some lines as the following paragraphs detail: -.
 - 2.10. Firstly, in some of the settlements who might have taken the style and title Town, local councils instead take pride in retaining their Parish title. Many of these settlements actively avoid the term Town (considering it as equating to urban based living) and to remain as Parishes and some also wish their settlements to be considered as villages - avoiding reference to town settlement. Some such settlements are therefore not joining the RMTG (and paying for RSN services) for that reason.
 - 2.11. In other areas some settlements whilst being keen for some rural role decline

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involvement with the RMTG because they do not feel they have had a historic charter background or that commercially they possess the critical mass the phrase Market Town might suggest.

- 2.12. The fact that we represent Services in our own title means that some settlements feel that although they are not Rural Market Towns in every accepted sense of that phrase and should not join that group there should be capacity in our hierarchy for a grouping reflecting their importance of their role as local rural service centres at their parish level.
- 2.13. In terms of the operation of the RMTG it would in any event clearly not be healthy if we to mix too many contrasting characteristics in that grouping. Indeed, it could be counter-productive to be doing so.

Part 3: Moving Forward

The question therefore is should the RSN council hierarchy stretch further through its groupings to allow local councils of certain population sizes to be given a choice between joining one of the following groups:

- Rural/Market Town Group
- Rural (Village?) Service Centre Members

- 3.1. If this route is gone down the RSN range would be:
 - Principal Councils – SPARSE Rural & Rural ASSEMBLY (LGA-SIG)
 - Rural Market Town Group
 - Rural Service Centres
 - Rural Community Associates (continuation of existing free service in member areas)
- 3.2. A fair number of Towns approached respond well to the 'Market' tag. It sells well we feel. The argument for such a hierarchy is therefore that instead of having to possibly distort the phrase Rural Market Towns by mixing membership sources, local councils themselves could choose a categorisation or grouping that they feel best suited to and is comfortable for them. This will allow two groups to develop with the appropriate characteristic they wish to engage with rather than RMTG possibly having to run with what could become mixed agendas. However, it is important that if there are to be two groups that both groups are made up of members undertaking the role of service hubs to their surrounding rural areas. It is that service role that is the important unique characteristic of RSN as an organisation and these groupings need to reflect that.
- 3.3. **Local population criteria**
To date we have sought to work for the RMTG with Councils who have a population exceeding 4,000. (On occasions we have dipped under this when the area we are trying to cover (see 2.5 above) is not giving us other options and occasionally where smaller towns clearly are well recognised historic market towns). Generally, with RMTG, 4,000 seems a reasonable population level.
- 3.4. In terms of a Rural Service Centre Grouping, it would be necessary to go to a slightly lower level of population.
- 3.5. The smaller the parish the less services will normally operate from it. Also, the less also will be its ability for its Parish Council to meet constantly any subscription. We should avoid the trap of having a membership that is constantly changing because of perceived affordability. A normal population level of 2,750 or above population may

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be appropriate here. Most of these rural centres approached would well exceed that. (It would, of course be the Parish Council which took up membership as the 'village' will be part of that significantly wider parish.)

- 3.6. In relation to the phrase to describe any grouping the communities with which we intend to work it is suggested we employ the word 'village' instead of the possible alternative option of 'parish' because it conveys grouping with a central area of population and services to and from it. This it is felt is the relevant factor here.

3.7. **Services Group Possible Name**

Obviously, a working title is necessary if we go down this route. Some possibilities might be:

- Village Services Group
- Village Rural Service Group
- Village Hub Service Group
- Local Rural Services Group

3.8. **Definitions of Possible Groupings**

It is felt important to establish these if we are to examine the option being canvassed

Rural Market Town Group – a grouping of settlements of rural centres of population (generally of a population size of 4000 or over), some with ancient charter rights and or livestock and/or produce markets, who regard themselves as a town or large parish providing the range of core services and employment opportunities to their surrounding hinterland of small villages/hamlets and the surrounding rural population. Previously agreed fees:

- £110 per annum plus VAT for Local Councils with less than 5000 population.
- £130 plus VAT for those with Population 5,000 to 10,000.
- £150 plus VAT for those with population exceeding 10,000 Population.

Village Service Group – parishes in rural areas (generally of a population size of 2750 or above) containing a central village or villages from which there are local services (for instance shop, post office, church, village hall) flowing to the population of the parish.

Suggested fees:

- £70 per annum plus VAT for Local Councils of up to 2,750 population.
- £80 similarly plus VAT p.a. for Local Councils with 2,750 to 5,000 population.
- £90 plus VAT for parishes above 5,000 population.

Part 4: Proposed Services Offered to Groupings to Community Associates

Members of the Rural Market Town Group will receive:

- Weekly edition of the Rural Bulletin, the RSN publication which includes relevant rural news and articles highlighting key issues affecting rural service delivery and communities.
- Monthly Funding Digest which sets out funding and grant opportunities along with key Government Consultations relating to rural areas
- An Area Profile of their Principal Council issued once a year setting out key statistics in relation to the rural area. This will help to give the overall picture of their local area to help plan services and understand local issues.

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- Involvement in RSN Consultation Programme, this could include responding to Government White Papers, Call for Evidence and Select Committee Inquiries. In addition, they will help to develop the rural voice at a national level to ensure the voice of rural market towns and Larger Parish Councils are represented. This would be in the form of surveys, call for evidence / case studies.
- Dedicated Rural Market Town Group newsletter four times a year setting out key issues for the group and highlighting the work of the RSN where relevant to them.
- Free access to the Rural Services Network Seminar Programme, in 2021 this will include 9 seminars throughout the year on a range of key rural topics
- Discounted access to the National Rural Conference
- An Annual Rural Poll (via Survey Monkey) seeking to establish the top (up to 5) issues currently facing Group Member Councils. The results to be reported to and fully discussed by one of the twice-yearly meetings.
- Attendance at a twice - yearly meeting of the Rural Market Town Group (via ZOOM) - this group is for Councillors and its purpose is to enable networking and consider key issues at a strategic level for rural villages.
- Attendance at a yearly meeting of the Rural Market Town Group Clerks meeting – (via ZOOM), the purpose of the meeting is to enable networking and consider key issues at a strategic level for the clerks.
- Cataloguing of good practice and learning material related to key policy areas and challenges or opportunities for rural market towns and large Parishes.
- The pattern of local area Market Town meetings is mixed across England. The group could explore this to see if there is any improvement in areas where meetings / joint working is not taking place currently and look at how liaison can take place between this national facing group and existing area meetings.

Members of the Rural Village Group will receive:

- Weekly edition of the Rural Bulletin, the RSN publication which includes relevant rural news and articles highlighting key issues affecting rural service delivery and communities.
- Monthly Funding Digest which sets out funding and grant opportunities along with key Government Consultations relating to rural areas
- An Area Profile of their Principal Council issued once a year setting out key statistics in relation to the rural area. This will help to give the overall picture of their local area to help plan services and understand local issues.
- Dedicated Rural Village Group Newsletter twice a year setting out key issues for rural villages for example rural transport, broadband, and affordable housing.
- An Annual Rural Poll (via Survey Monkey) seeking to establish the top (up to 5) issues currently facing Group Member Councils. The results to be reported to and fully discussed by the yearly meeting.
- Attendance at a yearly meeting of the Rural Village Group Membership (via Zoom) to consider key issues at a strategic level for rural villages. A second part of this meeting would consider Rural Vulnerability and its inter-relationship with Utility Company services.
- Involvement in the RSN Consultation Programme, this could include responding to Government White Papers, Call for Evidence and Select Committee Inquiries. In

Providing a voice for rural communities and service providers

Rural Services Network

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addition, they will help to develop the rural voice at a national level to ensure rural are represented. This would be in the form of surveys, calls for evidence / case studies.

- Cataloguing of good practice and learning material related to key policy areas and challenges or opportunities for rural parishes.

Members of the Rural Community Associates Group will receive:

- Weekly edition of the Rural Bulletin, the RSN publication which includes relevant rural news and articles highlighting key issues affecting rural service delivery and communities.
- Monthly Funding Digest which sets out funding and grant opportunities along with key Government Consultations relating to rural areas

NB Other than the costs of invoicing and maintaining membership records there is minimal additional work involved here.

RSN Teams Work Capacity

This report has been before the Team and agreed as the way forward that fits in with existing work capacity.

Part 5: Conclusion

- 5.1. This report therefore provides an avenue for all local councils in rural areas of populations of 2750 and above with a rural services role of some description to involve themselves at one level or other in the activities of the Network. It seeks to emphasise the essential and absolute national role of the RSN.
- 5.2. It is suggested that this is a vital step if we are to persuade Local Authorities which are either Predominantly Rural or have Significant Rural Areas that we must be supported in the best interest of their rural residents.
- 5.3. The establishment of the Grouping will have to be measured as workload pressures do not permit the same pace as the RMTG process. If the Executive found favour with the approach suggested in this report the Group would need to be built from those parishes opting in and those coming from a County-by-County approach so the Group may well take a few years to fully establish. We would start in those areas where the Principal Council is not in RSN membership
- 5.4 However, what is important from the report are two things:
 - It gives an alternative to the RMTG in our approach to try to get all the suggested DEFRA c190 rural areas of a population size of (generally) 2750 or above involved through membership of one RSN Group or another. This we feel is important from the overall RSN national perspective.
 - It should avoid any dilution of the Rural Market Town role as we progress to that end.

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Rural Services Network (RSN)

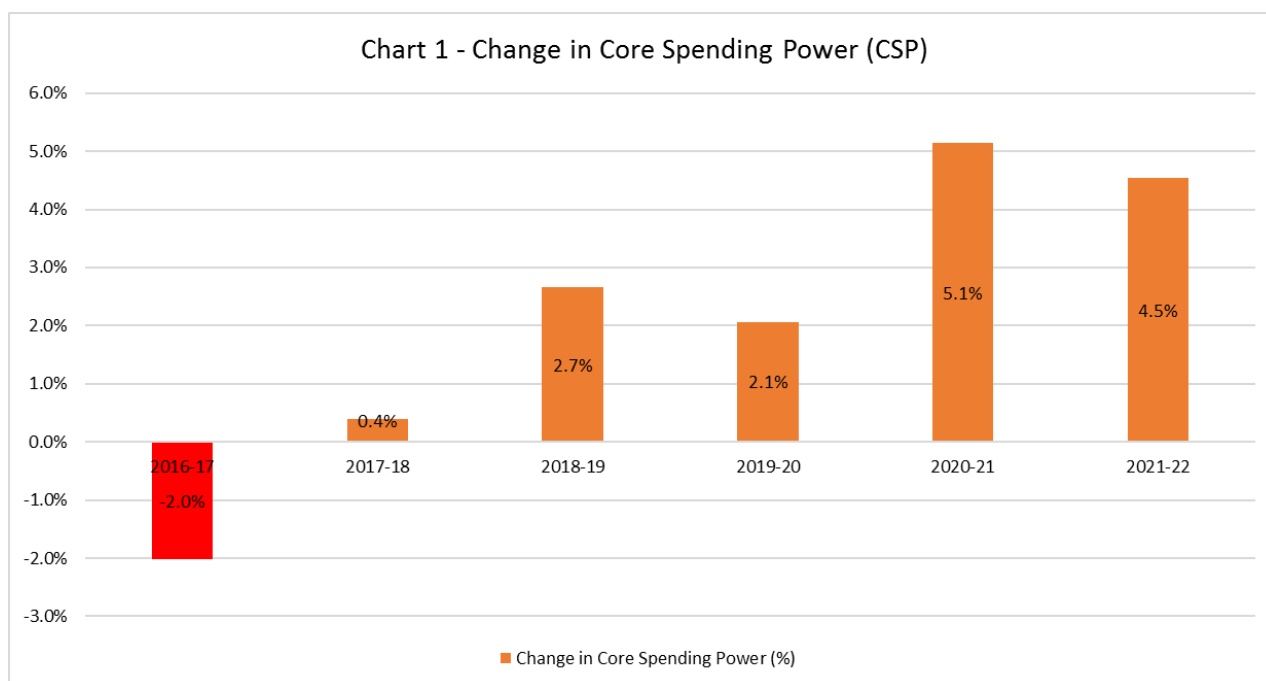
Provisional local government finance settlement 2021-22

1. The government published the provisional local government finance settlement for 2021-22 on 17 December 2019 via a written statement:
<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2021-to-2022>
<https://www.gov.uk/government/publications/key-information-for-local-authorities-provisional-local-government-finance-settlement-2021-to-2022>
2. Further information has also been published on the new COVID-related funding schemes:
<https://www.gov.uk/government/publications/covid-19-emergency-funding-for-local-government>
3. In this briefing note we have analysed the settlement from a national perspective, and then outlined the specific impact on rural authorities (p.10).

Overview

4. Core Spending Power (CSP) will increase by 4.5% (£2.2bn), but this is largely funded by expected above-average increases in Band D council tax. Based on the figures published by MHCLG, 87% of the increase in CSP comes from council tax increases, compared to 56% in 2020-21. Ministers are increasingly relying on council tax increases to fund CSP – which makes equalisation of council tax more difficult and more controversial.
5. Although the increase in CSP is lower than in 2021-22, it is substantially above inflation (target 2%) and better than in any year over the past decade (other than 2020-21). **Chart 1** shows that CSP change was negative in 2016-17 (and also in the previous years, not shown here), and was more-or-less in line with inflation in both 2018-19 and 2019-20. The above-inflation increases in CSP in 2020-21 and 2021-22 will not reverse the effects of austerity but they represent better settlements than the sector has had for over a decade.
6. The one-year Spending Review 2019 made the significant funding changes that affect the 2020-21 settlement. These were:
 - **3% adult social care precept, which could generate a further £760m**

- Reduction in the maximum increase in core Band D council tax from 2.99% to 1.99% (higher of 1.99% or £5 for district councils)
 - Revenue Support Grant (RSG) increases in line with inflation (0.55%, £13m)
 - £300m social care grant
 - New £111m Lower Tier Services Grant (LTSG)
 - £4m increase in Rural Services Delivery Grant (RSDG) from £81m to £85m
 - Reduction in New Homes Bonus payments from £907m to £622m
7. The small business rate multiplier will be frozen at 49.9p. The multiplier usually increases in line with the Consumer Price Index (CPI) in the previous September. Authorities will receive full compensation through the Cap Compensation Section 31 grant.
8. Ministers have used the “returned funding” from NHB to fund £150m of the social care



grant, the new LTSG, and the increases in RSG and RSDG. As result, the new money for increases in grant funding is very low (only £150m).

9. For rural authorities, a key element is the **Rural Services Delivery Grant (RSDG)**. There is a £4m increase in RSDG funding (£81m) compared to 2020-21, and no change in methodology (funding will be received by authorities in the top-quartile for super-sparsity).
10. In contrast to the very small increases in funding for CSP, the additional funding for COVID is considerable:

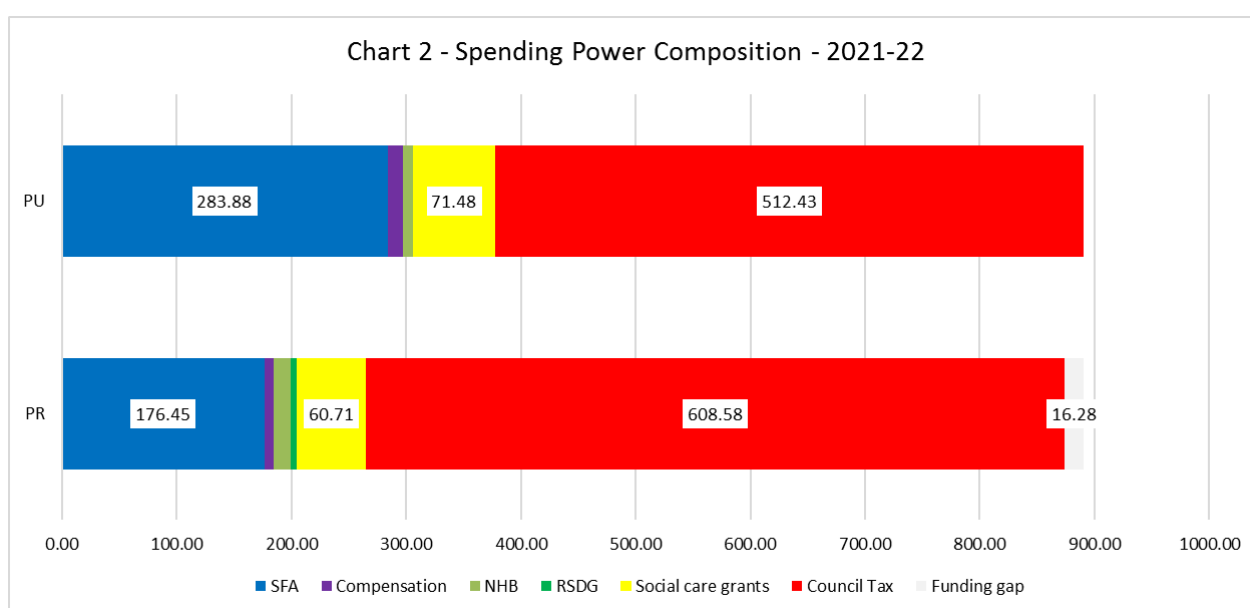
- **Tax Income Guarantee Scheme (£790m).** Authorities will be funded for 75% of their council tax and business rate losses in 2020-21.
- **COVID Funding Tranche 5 (£1.55bn).** This is likely to be the final round of COVID funding, and will be payable in 2021-22. Allocations will be made using the COVID Relative Needs Formula (RNF).
- **Local Council Tax Support (LCTS) Grant (£670m).** All authorities will receive funding to cover the additional costs from LCTS that are expected in 2021-22. Provisional allocations take into account the total number of working-age LCTS claimants and the council tax bill per dwelling.
- **Sales, Fees and Charges (SFC) compensation scheme.** This scheme will be extended into Quarter 1 2021-22, and will operate on the same terms (and baseline) as it has in the current year.

Table 1 – Change in Core Spending Power

	2020-21	2021-22	Change in 2020-21	Change in 2020-21
	£m	£m	£m	%
Settlement Funding Assessment	14,797	14,810	13	0.1%
Compensation for under-indexing the business rates multiplier	500	650	150	30.0%
Council Tax	29,227	30,397	1,170	4.0%
New adult social care precept		749	749	n/a
Improved Better Care Fund	1,837	1,837	0	0.0%
The Adult Social Care Support Grant		0	0	n/a
Winter pressures Grant	240	240	0	0.0%
Social Care Support Grant	1,410	1,710	300	21.3%
Lower Tier Support Grant		111	111	n/a
New Homes Bonus	907	622	-285	-31.4%
New Homes Bonus returned funding			0	n/a
Rural Services Delivery Grant	81	81	0	0.0%
Transition Grant			0	n/a
Core Spending Power	48,999	51,206	2,207	4.5%

Rural overview

11. We have analysed the funding received by Predominantly Rural (PR) and Predominantly Urban (PU) authorities. These are the classifications developed by the government to identify the most urban and the most rural authorities.
12. The composition of funding for PR and PU authorities is very different. Chart 2 shows that PR authorities receive much less funding per head from the government, from both SFA and key social care grants. Rural authorities are much more reliant on income from council tax: residents in rural authorities are paying £96 more per head than residents in urban authorities. In contrast, rural authorities receive much less in grant funding per head, both from Settlement Funding Assessment (SFA) (£107 per head less) and specific social care grants (£11 per head less).



13. Increases in grant funding and overall resources have been marginally higher in PR authorities compared to PU authorities (Appendix 1). Partly this is because PR authorities generate more from council tax (and are consequently more reliant on residents paying council tax).

Settlement Funding Assessment (SFA)

14. SFA will increase in line with the uplift in the business rate multiplier, which results in an increase of £237m (or 1.6%).

Table 2 – Settlement Funding Assessment

<u>Total SFA</u>	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
All England	21,249.938	18,601.462	16,632.428	15,574.165	14,559.645	14,797.000	14,810.000
less GLA non fire element	-955.783	-950.084	-950.575	-965.541	-978.037	-978.037	-978.037
All England	20,294.185	17,651.404	15,681.876	14,608.647	13,581.629	13,818.963	13,831.963
Predominantly Rural	3,823.592	3,220.120	2,768.199	2,521.532	2,308.682	2,361.690	2,374.277
Year on Year Change		-15.78%	-14.03%	-8.91%	-8.44%	2.30%	0.53%
Cumulative Change (from 15/16)		-15.78%	-27.60%	-34.05%	-39.62%	-38.23%	-37.90%
Prdominantly Urban	14,345.871	12,650.822	11,390.670	10,700.659	10,001.438	10,180.330	10,145.468
Year on Year Change		-11.82%	-9.96%	-6.06%	-6.53%	1.79%	-0.34%
Cumulative Change (from 15/16)		-11.82%	-20.60%	-25.41%	-30.28%	-29.04%	-29.28%
<u>SFA per head</u>							
Predominantly Rural	284.17	239.32	205.73	187.40	171.58	175.52	176.45
Predominantly Urban	401.41	353.98	318.72	299.41	279.85	284.85	283.88
Gap (£)	117.24	114.66	112.99	112.01	108.27	109.33	107.42
Gap (%)	41%	48%	55%	60%	63%	62%	61%

15. Table 2 shows the recent trend in changes to SFA, with the largest cuts in SFA at the start of the four-year settlement period. In fact, the cuts in SFA were even larger in the preceding years. Over the six years shown in Table 2, the cut in SFA has been 29% in cash terms, with the increase in 2020-21 and 2021-22 changing the direction of travel but not replacing the massive cuts in local government funding.
16. The gap between rural and urban authorities has widened considerably since 2015-16 (in percentage terms), although it is now stabilising. It widened in the early part of the last spending review period because cuts in SFA were highest in high-taxbase authorities, which tend to include rural authorities.
17. The only increase in SFA in 2021-22 will be from the indexation of RSG (only £13m, equivalent to 0.1%).
18. The effect of preserving the relationships between SFA, RSG and BFL is to continue to fund Negative RSG. Negative RSG occurs when an authority's BFL exceeds its SFA. In this situation the authority is funded at the level of its (higher) BFL rather than at its level of assessed needs (SFA).

New Homes Bonus

19. The cost of NHB in 2021-22 will reduce to £622m. Local authorities will receive New Homes Bonus (NHB) payments in respect of three years:
- Years 8 and 9 (legacy payments for growth in previous years)
 - Year 11 (payments earned based on the CTB1 October 2020)

- Payments for Year 10 will cease because these were one-off payments made in the 2020-21 NHB scheme and did not attract future legacy payments.
20. Otherwise, there is no change in the operation of the scheme in 2020-21: the scheme works in the same way and applies the same threshold (0.4%).
21. The cost of NHB will reduce in 2021-22 because payments will only be made for 3 years – and not the four years that were paid in 2020-21. Two larger amounts have now dropped-out (Year 7 £197m and Year 10 £286m) and been replaced by one smaller amount (Year 11 £185m).
22. Urban authorities receive more in NHB than rural authorities (£318m compared to £193m). But allocations per head are actually higher in rural areas (£14 per in rural areas compared to £9 in urban). NHB allocations have fallen much more quickly in urban areas in recent years.

Table 3 – New Homes Bonus

<u>Total NHB</u>	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2020-21
All England	1167.638	1461.855	1227.447	947.498	917.949	907.332	612.200
less GLA non fire element	0.000	0.000	0.000	0.000	0.000	0.000	0.000
All England	1200.001	1485.001	1251.996	946.221	917.950	917.950	917.950
Predominantly Rural	308.673	388.326	334.924	265.269	260.535	263.750	193.659
Year on Year Change		25.81%	-13.75%	-20.80%	-1.78%	1.23%	-26.57%
Cumulative Change (from 15/16)		25.81%	8.50%	-14.06%	-15.60%	-14.55%	-37.26%
Predominantly Urban	704.846	879.351	724.801	547.645	517.895	493.519	318.844
Year on Year Change		24.76%	-17.58%	-24.44%	-5.43%	-4.71%	-35.39%
Cumulative Change (from 15/16)		24.76%	2.83%	-22.30%	-26.52%	-29.98%	-54.76%
<u>NHB per head</u>							
Predominantly Rural	22.94	28.86	24.89	19.71	19.36	19.60	14.39
Predominantly Urban	19.72	24.60	20.28	15.32	14.49	13.81	8.92
Gap (£)	-3.22	-4.26	-4.61	-4.39	-4.87	-5.79	-5.47
Gap (%)	-14%	-15%	-19%	-22%	-25%	-30%	-38%

Adult social care funding

23. The Chancellor announced a new **£300m social care grant** in the SR20. All the other social care grants will also continue (no inflation has been applied):
- **Improved Better Care Fund (IBCF): £1.8bn.**
 - **Winter Pressures Funding: £240m** for councils to spend on adult social care services to help councils alleviate winter pressures on the NHS. This has now been rolled into the Improved Better Care Fund and its ringfence removed.

- **Social Care Support Grant: £1.710 billion** for adults and children's social care.
Councils should be using this additional funding to "ensure that adult social care pressures do not create additional demand on the NHS". A further £300m has been added to this grant in 2021-22.
24. The increase in grant in 2021-22 is the smallest increase in social care grant since 2015-16 (grant has increased by at least £530m in each year). And even this small increase in grant is part-funded from local government's existing resources.
25. Table 4 shows that urban authorities receive much more funding from social care grants than rural authorities. The formula used for social care is heavily weighted towards urban authorities. Furthermore, all the social care allocations fully take into account the ability of authorities to generate additional income from the Adult Social Care precept – which reduces the grant funding to rural authorities, which tend to have high taxbases.
26. £240m of the new £300m social care grant has been equalised in 2021-22. As a result, most of the 3% increase in the adult social care (ASC) precept has been equalised through the grant allocations. There is a very strong argument for doing this (to ensure that the increases in new social care resources are equitably distributed) but it means that increases are largely funded by local tax-payers.
27. Urban authorities receive a higher share of the new social care grants (£32 per head compared to £28 per head in rural areas), and the increase in 2021-22 has also been higher (24% compared to 17% in rural areas). This shows that rural authorities have lower share of the Adult RNF and that rural authorities lose-out from the equalisation of the ASC precept.

Table 4 – Social Care Grants

<u>Total ASCSG</u>	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2020-21
All England			241.072	150.000	650.000	1409.933	1709.927
less GLA non fire element			0.000	0.000			
All England			241.072	150.000	650.000	1409.933	1709.927
Predominantly Rural			55.785	34.711	150.413	318.943	371.823
Year on Year Change			-	-37.78%	333.33%	112.05%	16.58%
Cumulative Change (from 15/16)			-	-37.78%	169.63%	471.73%	566.53%
Predominantly Urban			154.628	96.212	417.534	926.066	1144.765
Year on Year Change			-	-37.78%	333.97%	121.79%	23.62%
Cumulative Change (from 15/16)			-	-37.78%	170.03%	498.90%	640.34%
<u>ASCSG per head</u>							
Predominantly Rural			4.15	2.58	11.18	23.70	27.63
Predominantly Urban			4.33	2.69	11.68	25.91	32.03
Gap (£)			0.18	0.11	0.50	2.21	4.40
Gap (%)			4%	4%	5%	9%	16%

Government Funded Spending Power (GFSP)

28. Rural Services Network has developed a metric called Government Funded Spending Power that shows the funding that authorities receive from central government. Table 5 shows the change in government-funded spending power between 2015-16 and 2021-22. These are all the grant funding streams within Core Spending Power, excluding council tax.

Table 5 –Government-Funded Spending Power (GFSP) (per head)

<u>Total GFSP</u>	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
All England	22,630.568	20,482.092	19,630.504	18,526.487	18,445.617	18,787.527	19,070.175
less GLA non fire element	-955.783	-950.084	-950.575	-965.541	-978.037	-978.037	-978.037
All England	21,674.785	19,532.008	18,679.929	17,560.946	17,467.579	17,809.490	18,092.138
Predominantly Rural	4,179.410	3,759.620	3,534.263	3,247.996	3,232.287	3,542.235	3,596.897
Year on Year Change		-10.04%	-5.99%	-8.10%	-0.48%	9.59%	1.54%
Cumulative Change (from 15/16)		-1.67%	-7.57%	-15.05%	-15.46%	-7.36%	-5.93%
Prdominantly Urban	15,196.018	13,734.884	13,237.710	12,574.552	12,499.663	13,390.463	13,568.892
Year on Year Change		-9.62%	-3.62%	-5.01%	-0.60%	7.13%	1.33%
Cumulative Change (from 15/16)		-4.26%	-7.72%	-12.35%	-12.87%	-6.66%	-5.42%
<u>GFSP per head</u>							
Predominantly Rural	310.61	279.41	262.66	241.39	240.22	263.26	267.32
Predominantly Urban	425.19	384.31	370.40	351.84	349.75	374.67	379.67
Gap (£)	114.58	104.90	107.74	110.45	109.53	111.42	112.35
Gap (%)	37%	38%	41%	46%	46%	42%	42%

29. Cumulatively, the cut in GFSP have been similar in PR and PU authorities between 2015-16 and 2021-22 (5.9% in PR and 5.4% in PU authorities). However, the funding gap between PR and PU authorities remains very significant: funding per head is 42% higher in PU authorities compared to PR authorities.

30. This gap has grown since 2015-16 – although it has narrowed marginally in 2020-21 and stabilised in 2021-22. The narrowing is because PR authorities are losing New Homes Bonus (NHS) less quickly than PU authorities. NHB for PR authorities has reduced by 10% in 2020-21, whereas it has dropped by 30% in PU authorities. Offsetting this is the slightly larger increases in social care grants for urban authorities.

Band D Council Tax

31. The maximum increase in “core” Band D will be 1.99% in 2021-22. If all councils increase their Band D by the maximum, this will raise an additional £1.9bn, and continue the significant growth in council tax revenues that have taken place since 2015-16.
32. These are the council tax principles for 2021-22:

- **Core principle** of a maximum increase of 1.99% in Band D. This applies to unitaries, county councils, London boroughs, GLA precept, and fire and rescue authorities.
- Continuation of the **adult social care precept**, allowing an additional **3% of Band D in 2021-22**.
- **Shire district councils** will be able to increase Band D by the higher of 1.99% or £5.
- Maximum £15 increase in council tax for **Police and Crime Commissioners**.

33. Ministers have not set a maximum precept increase for any of the **mayoral combined authorities**¹ and also decided to defer setting any referendum principles for **town and parish councils**.

34. PR authorities have to raise much more in council tax than PU authorities. PR authorities generate £608 per head compared to £512 per head in PU authorities, meaning that residents in rural authorities are paying £96 more than urban residents.

Table 6 – Council tax (per head)

<u>Total Council Tax</u>	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
All England	22,035.883	23,247.252	24,665.793	26,600.221	27,927.126	28,523.122	31,134.998
less GLA non fire element	-657.739	-636.105	-668.242	-711.135	-796.824	-836.665	-878.498
All England	21,378.144	22,611.147	23,997.551	25,889.086	27,130.303	27,686.457	30,256.500
Predominantly Rural	5,708.377	6,037.376	6,387.916	6,823.766	7,207.283	7,657.387	8,188.760
Year on Year Change		5.76%	5.81%	6.82%	5.62%	6.25%	6.94%
Cumulative Change (from 15/16)		5.76%	11.90%	19.54%	26.26%	34.14%	43.45%
Prdominantly Urban	12,351.685	13,076.084	13,904.513	14,838.321	15,762.819	16,571.442	18,313.866
Year on Year Change		5.86%	6.34%	6.72%	6.23%	5.13%	10.51%
Cumulative Change (from 15/16)		5.86%	12.57%	20.13%	27.62%	34.16%	48.27%
<u>Council Tax per head</u>							
Predominantly Rural	424.24	448.69	474.74	507.14	535.64	569.09	608.58
Predominantly Urban	345.61	365.88	389.06	415.18	441.05	463.68	512.43
Gap (£)	-78.63	-82.82	-85.69	-91.95	-94.59	-105.41	-96.15
Gap (%)	-19%	-18%	-18%	-18%	-18%	-19%	-16%

Consultation period

35. There will be the normal consultation period (four weeks) to 16 January 2021.

¹ Six MCAs have the power to set a precept: GM, Liverpool City Region, West Midlands, Cambridgeshire, South Yorkshire, Tees Valley

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21 December 2020

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Appendix 1 – Elements of Core Spending Power per head – Predominantly Rural and Predominantly Urban authorities

Predominantly Rural	Per Head							19-20 to 20-21		15-16 to 21-22	
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Per Head	%	Per Head	%
Settlement Funding Assessment	284.17	239.32	205.73	187.40	171.58	175.52	176.45	0.94	0.53%	-107.71	-37.90%
Compensation for under-indexing the rates multip	2.09	2.09	2.22	3.48	5.06	6.38	8.33	1.96	30.69%	6.24	298.63%
New Homes Bonus	22.94	28.86	24.89	19.71	19.36	19.60	14.39	-5.21	-26.57%	-8.55	-37.26%
Rural Services Delivery Grant	0.96	5.00	4.04	5.03	4.97	5.15	5.40	0.25	4.89%	4.44	460.65%
Improved Better Care Fund and other social care gr	0.00	0.00	17.47	23.18	28.06	32.91	33.08	0.17	0.52%	33.08	
Adult Social Care Support Grant	0.00	0.00	4.15	2.58	11.18	23.70	27.63				
Transition Grant	0.00	4.13	4.14	0.00	0.00	0.00	0.00				
Government Funded Spending Power	310.16	279.40	262.63	241.39	240.22	263.26	265.29	-1.89	-0.79%	-72.50	-23.38%
Council Tax	424.24	448.69	474.74	507.14	535.64	569.09	608.58	39.49	6.94%	184.34	43.45%
Total Spending Power	734.40	728.09	737.37	748.52	775.86	832.35	873.87	26.01	3.35%	44.76	6.09%

Predominantly Urban	Per Head							19-20 to 20-21		15-16 to 21-22	
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Per Head	%	Per Head	%
Settlement Funding Assessment	401.41	353.98	318.72	299.41	279.85	284.85	283.88	-0.98	-0.34%	-117.53	-29.28%
Compensation for under-indexing the rates multip	3.40	3.40	3.60	5.66	8.24	10.29	13.32	3.03	29.39%	9.92	291.93%
New Homes Bonus	19.72	24.60	20.28	15.32	14.49	13.81	8.92	-4.89	-35.39%	-10.80	-54.76%
Rural Services Delivery Grant	0.02	0.12	0.10	0.12	0.12	0.12	0.13	0.01	4.94%	0.10	448.39%
Improved Better Care Fund and other social care gr	0.00	0.00	21.14	28.64	35.37	39.68	39.45	-0.24	-0.60%	39.45	
Adult Social Care Support Grant	0.00	0.00	4.33	2.69	11.68	25.91	32.03				
Transition Grant	0.00	1.89	1.89	0.00	0.00	0.00	0.00				
Government Funded Spending Power	424.55	383.99	370.05	351.84	349.75	374.67	377.72	-3.07	-0.88%	-78.86	-18.57%
Council Tax	345.61	365.88	389.06	415.18	441.05	463.68	512.43	48.75	10.51%	166.83	48.27%
Total Spending Power	770.16	749.87	759.11	767.03	790.80	838.35	890.16	26.01	3.29%	44.76	5.81%



Local Government Finance Settlement Team
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XXXXXX January, 2020

PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2021 TO 2022: CONSULTATION RESPONSE

This letter sets out the detailed response of the Rural Services Network (RSN) to the above consultation.

Our concerns do not relate to the overall quantum of resources, although we share concerns raised on behalf of local government generally by the Local Government Association in that regard. Our concerns relate to the fact that once again rural councils (and the communities they serve) are not receiving a fair share of the resources being made available by the Government to support local authority services.

1.0 INTRODUCTION

(a) Generally

The RSN once again finds itself unable to support either the proposed distribution methodology or the impact on rural residents of the proposals in relation to Council Tax increases.

Through the proposals, rural residents, communities and businesses will, through their principal local authorities find themselves in comparison to their urban counterparts both:

- **Overcharged** – through higher Council Tax in rural areas (16% higher in rural areas); and
- **Short-changed** – through the flawed – urban biased – funding formula/distributional methodology

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The Equalities Statement in respect of the Provisional Settlement states “The Government has considered the impact of the funding distribution on protected characteristics by assessing the distribution of Core Spending Power (CSP) between local authorities and the characteristics of the people that live in the local authorities”.

We note the absence of any statement about rural proofing. Core Spending Power should not be the only factor taken into account. The amount people have to pay for their services through Council Tax (in both absolute terms and in terms of the proportion of their services they are having to pay for through Council Tax) is also of critical importance. If rural people and communities were classed as having protected characteristics, then the proposals would be judged as having failed an objective equalities assessment.

(b) Council Tax Principles

For our District Council members with relatively low levels of Council Tax for their own purposes (that is excluding precepts) the Council Tax Principles are still not flexible enough in the light of less government grant and less spending power than their urban counterparts.

The average (Band D 2 adult equivalent) council tax for 2020-21 for Shire Districts was £167.75 (just £3.23 per week). The 2% or £5 permitted increase is too low to protect services (2% of a low amount is a small amount as is a £5 a year increase) and should be increased to £10. This will then enable the democratically elected councillors to reach local decisions on the balance between council tax affordability and services levels in their local area. A £10 a year increase is less than 20p a week per household

2.0 HEADLINE ANALYSIS OF THE PROPOSALS

The RSN's analysis of the Provisional Settlement proposals shows rural residents in comparison to residents in urban areas will:

- Still pay over £96 per head **more** in Council Tax
- Get £107 (61%) per head **less** from Settlement Funding Assessment (SFA) (general grant)
- Get £11 per head **less** in specific social care costs
- Get £28 per head of the new social care grants whilst urban get £32 per head (a 16% gap)

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- Face a gap between urban and rural SFA per head, which has risen from 41% in 2015/16 to 61% for 2021/22 (although in monetary terms the gap has closed by just under £10 per head)
- Get over £112 (42%) per head **less** in Government Funded Spending Power (which excludes Council Tax).
- (Despite all of the above) still have over £16 per head (2%) **less** overall Spending Power.

The conclusion of the above is that once again Principal Councils serving rural areas in comparison to urban:

- ❖ Get less government grant per head of population
- ❖ Are required to pay more per head of population in Council Tax (through lower incomes when earned in the rural economy)
- ❖ Are required to pay for more of their essential services through Council Tax (69.48% compared to 57.44%); and yet
- ❖ Get fewer services – which are often more expensive to access

3.0 RURAL IS BEING OVERCHARGED

Based on the facts set out in Section 2.0 above, we argue that once again – as has been the case for many, many years - rural residents, communities and business will, through their Principal local authorities, find themselves penalised by being **Overcharged** in comparison to their urban counterparts.

4.0 RURAL IS BEING SHORT-CHANGED: BACKGROUND AND CONTEXT

We reiterate that we are calling for rural areas to get a fair share of the resources being made available by the Government to support local authority services – not per se for additional new money for rural areas.

Again, the facts to support our position are set out in Section 2.0 above.

Our comments and concerns are, however, set against the background and context that for decades, under successive governments, rural areas have received substantially less government funding per head of population for their local government services compared to urban areas. A consequence of this is that rural

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local authorities have, over the years, found it necessary to increase Council Tax more than their urban counterparts (but have still had less Spending Power overall).

Rural areas also have significantly greater older populations. Over the next five years, the number of older residents in shire areas is projected to rise at an average annual rate of 2.0%, compared to an English average of 1.8%, London Boroughs 1.9%, and metropolitan boroughs 1.5%

Government recognised the rural case through decisions in the 2013/14 Settlement to increase various sparsity weightings in the formula but, on average, only about 25% of the financial gains which should have flowed from that decision actually materialised. The rest was lost through damping which 9 years on (to 2021/22) is still the case. **With all the delays to the Fair Funding/Needs and Resources Review the Government must now introduce in full the 2013/14 formula changes to sparsity weightings.**

So - who has gained from the non-implementation in full of the formula changes referred to above? Well, Inner London plus Surrey and Hertfordshire are still receiving funding from damping more than the formula says they should and they have been receiving this damping benefit since 2013-14 (which was worth £214m per year in 2013-14). More people live in rural areas of England than live in Greater London.

RURAL SERVICES DELIVERY GRANT (RSDG)

We, of course, welcome the extra £4M in Rural Delivery Grant in 2021/22 and that the Government has again recognised additional cost pressures in rural areas.

In response to the 2019/20 Provisional Settlement, we said “The RSN welcomes the Government’s recognition that cost pressures associated with service delivery in rural sparse areas, such as lack of private sector providers and poor broadband coverage should be met with a more consistent package of funding over the course of this Parliament”. This is a clear acceptance by the Government that sparsity costs relate to much more than just travel related costs.

The proposals for 2021/22 once again pay lip-service to the recognition referred to above especially as the Government also said in respect of 2019/20 “that it is possible that altering the weightings in 2013/14 may have only partially reflected the

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challenges faced in delivering some services in rural areas". The RSN both then and now considers this to be the actuality rather than just a possibility.

We regard RSDG as a form of recompense for rural authorities for the non-implementation in full of the sparsity changes introduced in 2013/14.

It is however massively less than the value of the combined effects of changes as exemplified in the Government's Summer 2012 Consultation of £247.3M. On average, 75% was 'lost to damping' meaning £185M remained due. The 2021/22 increase of RSDG to £85M is clearly insufficient.

The additional weightings for sparsity referred to above created a much larger list of 163 (including 18 Fire & Rescue Services) beneficiaries than the 94 (including 5 Fire & Rescue Services) upper quartile of authorities based on the super sparsity indicator.

It recognised that sparsity costs apply across the spectrum of rural areas and do not suddenly manifest themselves at the boundary of super sparse areas. We do not accept that super sparsity is the best available proxy for rurality across the spectrum of rural areas, but instead that, for distribution of resources purposes, the data used in the 2012 Consultation produces the most appropriate minimum outcome within the basis of the present formula.

LEVELLING UP

The Government's Levelling Up agenda, if it is to succeed, must be about far more than capital projects. People and Communities must not be disadvantaged by where they live.

In a debate on 26th November 2020 the Parliamentary Under Secretary of State at Defra, Lord Gardiner of Kimble, said "My Lords, our vision remains that rural communities should prosper, benefiting from the full range of government policies designed to level up opportunity and take the country forward..."

Until there is a fair distribution of the resources Government provides to support local government services rural services will continue to get less, pay more and receive fewer services – they will be held down not levelled up. Reductions in essential statutory services will continue as will service cuts to non-statutory services such as bus subsidies, economic development activity, sport and leisure activities and support to the community and voluntary sector.

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Levelling up is about equitable treatment. That is a feature missing from this Provisional Settlement when viewed through a rural lens.

A handwritten signature in blue ink, which appears to read "Graham Biggs".

Chief Executive

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Pixel Responses for RSN – Provisional Settlement 2021-2022

Question 1: Do you agree with the Government's proposed methodology for the distribution of Revenue Support Grant in 2021-22?

As an interim measure, applying inflation to Revenue Support Grant (RSG) is a reasonable approach but RSN does not support the underlying methodology used to distribute the Settlement Funding Assessment (and resulting RSG). The increases in sparsity – which were introduced in 2012-13 – have not been fully implemented and were largely “damped away”. Rural authorities have therefore received lower funding allocations than they deserved for over 8 years. RSN looks forward to the implementation of the Fair Funding Review and the correction of the historic under-funding of rural authorities.

Question 2: Do you agree with the proposed package of council tax referendum principles for 2021-22?

RSN supports the proposals to give greater scope to local authorities to increase council tax in 2021-22. Authorities are coping with severe financial and service pressures and increases in council tax will help authorities to manage these pressures. However, we are concerned that the burden of funding local services is being placed largely on local taxpayers with central government providing very little additional funding. We estimate that the local taxpayer is funding 82% of the additional resources for local government in 2021-22.

This is unfair nationally, but particularly in rural areas where a larger share of the burden is already on local taxpayers. Band D is higher in rural than in urban areas, and the higher increases will place a further burden on rural taxpayers.

There are also specific concerns for district councils and fire authorities. Increases for these authorities are lower than for those with social care responsibilities. We would urge ministers to allow these councils to increase their Band D in line with social care authorities, or to increase the minimum cash increase (currently £5 for district councils, with nothing for fire authorities).

Question 3: Do you agree with the Government's proposals for the Social Care Grant in 2021-22?

Whilst it is reasonable that the ability to generate income from the Adult Social Care precept should be taken into account in the allocations, the assumptions used in the 2021-22 allocations are too extreme. For instance, many authorities will not use their full 3% increase in precept (indeed, there is the flexibility to spread the increase over 2 years) and it is, therefore, unreasonable to use the full amount. This

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effectively penalises authorities with large taxbases irrespective of whether councils make use of the full precept increase.

Furthermore, councils with low Band D – particularly those in inner London – have a smaller equalisation adjustment. This is a perverse incentive and subsidises councils with low Band D council tax.

Question 4: Do you agree with the Government’s proposals for iBCF in 2021-22?

We support the Government’s proposals for iBCF.

Question 5: Do you agree with the Government’s proposals for New Homes Bonus in 2021-22?

RSN supports the proposal to add a further one-off allocation (year 11) in 2021-22. But we need to have much clearer guidance on the replacement to NHB. Many of our members rely on the income from NHB and both the uncertainty and year-on-year reductions make financial planning very difficult. It is good to hear that the government will be consulting on new options in the Spring but we would like to see much more urgency on these replacement proposals.

We were very concerned that ministers have decided not to return the NHB surplus to local government in 2021-22. A clear principle was established when the RSG top-slice was introduced in 2012-13 and which has been confirmed in subsequent settlements. Clearly the surplus has been used to fund the other increases in grant (RSDG, RSG, social care grant) and the new grant (LTSG). To redirect resources in this way is misleading and makes it very difficult for authorities to make budget preparations.

Question 6: Do you agree with the Government’s proposal for a new Lower Tier Services Grant, with a minimum funding floor so that no authority sees an annual reduction in Core Spending Power?

RSN supports the Lower Tier Services Grant (LTSG) because it provides some support to district councils at the margins within the settlement. For those who will receive the grant – some of which are rural authorities – it provides much-needed funding and ensures that their core spending power does not reduce in cash terms. The bulk of the grant will, however, be received by urban authorities.

In practical terms, the grant largely provides support to councils who are losing NHB (and not receiving increases in social care resources). Again, this is a sensible principle for authorities suffering NHB losses.

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Our criticism of the grant is that it is an ad hoc arrangement. There was no consultation with authorities about its introduction and it feels very much a one-off support mechanism.

Question 7: Do you agree with the Government's proposals for Rural Services Delivery Grant in 2021-22?

RSN is grateful for the increase in RSDG in 2021-22, even though it is a very small amount. It will make very little difference to rural authorities' actual financial circumstances. But it does demonstrate some support from ministers for the needs of rural authorities. We are grateful for any increase in funding!

RSN continues to have concerns about the methodology that has been used to distribute the RSDG. There are some authorities with large rural areas who do not receive any RSDG allocations.

Question 8: Do you have any comments on the Government's plan not to publish Visible Lines?

We support the decision not to publish Visible Lines because they lacked credibility within the sector.

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Rural/Market Town Group update

Report to the RSN Executive (Monday, 11th January 2021)

From David Inman, Corporate Director

Introduction

This report seeks to update the Executive on the position reached at this time with the development of the new RMTG Group.

Current Position

Members will recall that the goal is a Rural/Market Town Grouping spanning all the rural areas of England (c200). We have sought to keep subscription manageable and proceeded based on an annual fee of £110 for Towns below 5,000 population; £130 for Towns who have a population between 5 and 10,000 residents and £150 for Towns having a population more than 10,000. As we are talking about rural hubs, we have operated a ceiling in the region of 30,000-35,000 population as Defra advise us that towns in excess of that population can show a less rural characteristic.

We started to recruit in September 2019 approaching some 200 Local Councils at that time. Success rate during the Sept to March period was c1 joining out of every 3 approached.

Recruiting has been difficult during the pandemic and the consequent local lockdowns. When Covid-19 struck in March we had a grouping who were paying subs for the first time from 1st of April for 2020/21 of some 75 towns. It became apparent that Town Councils had to be at the centre of schemes to assist their residents who were vulnerable and dependent on assistance. Local Councils have received no help from government for their work here and obviously there was no allowance in their budgets for this work. However, most of these 75 members have paid the annual fee levied.

We were working on a new second batch of c100 Councils when the virus changed all our lives. Because of Covid-19, it was decided that it would be of little value to seek to recruit these new towns on an immediate subscription basis and that free involvement for a period up to the end of July 2021 should be offered to target towns to keep the initiative alive. These Local Councils will then be asked in July 2021 whether they wish to continue in membership on a pro rata sub basis for the remainder of 21/22. Some 80 Councils have joined on that basis, but all have formally considered their position. No additional income has been included in the

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2021/22 budget. Obviously, it is easier to 'recruit' on a free service basis and take up has been higher at 1 in 2 but the acid test will be in July 2021 when we seek to move these to subscription membership. At this moment therefore membership stands at 155 on the way to the sought 200. Clearly with our member Local Authorities a constitution has been agreed that requires a year's notice to be given to leave. With a new group such a situation has hopefully to be earned over time so this group will at this stage is likely to see more comings and goings.

In early 2021 we will approach a third tranche of over 160 'new' local councils; meaning by the end of that stage we have approached some 460 Local Councils probably over half of those who may be considered 'rural marketplaces' across England. For these Local Councils we will be offering free membership until end of September meaning if these towns decide to remain with us, they will pay half a year's sub for the September 20 to April 21 period.

As detailed in another agenda item our service offer is as follows:

- Weekly edition of the Rural Bulletin, the RSN publication which includes relevant rural news and articles highlighting key issues affecting rural service delivery and communities.
- Monthly Funding Digest which sets out funding and grant opportunities along with key Government Consultations relating to rural areas.
- An Area Profile of their Principal Council issued once a year setting out key statistics in relation to the rural area. This will help to give the overall picture of their local area to help plan services and understand local issues.
- Involvement in RSN Consultation Programme, this could include responding to Government White Papers, Call for Evidence and Select Committee Inquiries. In addition, they will help to develop the rural voice at a national level to ensure the voice of rural market towns and Larger Parish Councils are represented. This would be in the form of surveys, call for evidence / case studies.
- Dedicated Rural Market Town Group newsletter four times a year setting out key issues for the group and highlighting the work of the RSN where relevant to them.
- Free access to the Rural Services Network Seminar Programme, in 2021 this will include 9 seminars throughout the year on a range of key rural topics.
- Discounted access to the National Rural Conference.

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- An Annual Rural Poll (via Survey Monkey) seeking to establish the top (up to 5) issues currently facing Group Member Councils. The results to be reported to and fully discussed by one of the twice-yearly meetings.
- Attendance at a twice – yearly Rural Market Town Group meeting (via Zoom) – this group is for Councillors and its purpose is to enable networking and consider key issues at a strategic level for rural villages.
- Attendance at a yearly meeting of the Rural Market Town Group Clerks Advisory Panel meeting (via Zoom) – the purpose of the meeting is to enable networking and consider key issues at a strategic level for the clerks.
- Cataloguing of good practice and learning material related to key policy areas and challenges or opportunities for rural market towns and large Parishes.
- The pattern of local area Market Town meetings is mixed across England. The group could explore this to see if there is any improvement in areas where meetings / joint working is not taking place currently and look at how liaison can take place between this national facing group and existing area meetings.

We are keen to also set up 10-15-person Local Council Officer Steering Group who we can work with on the Agenda set out above.

The first of the Councillor Representative meetings (70 in attendance) and Clerks Group meetings (50 in attendance) have, successfully taken place in autumn 2020. We plan to hold second set of meetings of both these groups (via Zoom) in Spring, 2021.

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	A	B	C	D	E	F
1						Attachment 5
2						
3	The Rural Services Partnership Limited					
4	Budget vs. Actuals: RURAL SERVICES PARTNERSHIP - FY21 P&L					
5	April 2020 - March 2021					
6	AS AT 12TH DECEMBER 2020 ACCRUAL BASIS					
7	Total					
8		2020/21 ACTUAL 12/12//20	2020/21 REVISED BUDGET	2020/21 VARIATION FROM ORIGINAL BUDGET	ACTUAL TO DATE OVER ANNUAL BUDGET	ESTIMATED BUDGET 2021/22
9	INCOME	£	£	£	£	£
10	Coastal communities contract income	3,377.92	5,557.00		-2179.08	5668.00
11	National rural conference	2,608.02	2,583.00	2439.00	25.02	5000.00
12	RHCA Membership	4,738.36	27,383.00	-3975.00	-22644.64	25862.00
13	RSP Membership	17,955.58	19,610.00	139.00	-1654.42	24234.00
14	Rural England Annual Re CHARGES		6,789.00		-6789.00	6925.00
15	Rural England project support		1,300.00		-1300.00	1000.00
16	Rural fire and rescue	3,917.00	3,917.00	-6.00	0.00	3995.00
17	Rural housing group subscriptions	6,400.00	6,400.00	-775.00	0.00	7318.00
18	Rural housing group website	915.00	915.00	1360.00		
19	Rural Strategy Income	6,097.92	6,098.00	6098.00	-0.08	
20	Rural Towns Group	10,160.00	10,676.00	236.00	-516.00	11000.00
21	Services		132.00	132.00	-132.00	
22	SPARSE - Rural general grant	297,511.00	301,586.00		-4075.00	303064.00
23	Strategic partnering arrangements	10,000.00	10,000.00		0.00	10000.00
24	Unapplied Cash Payment Income		-120.00	-120.00	-120.00	
25	Total Income	363,680.80	402826.00	5528.00	-36854.20	404066.00

	A	B	C	D	E	F
26	Cost of Sales					
27	GROSS WAGES	158,285.98	235361.00	-6439.00	-77,075.02	239195.00
28	Total Cost of Sales	158,285.98	235361.00	-6439.00	-77,075.02	239195.00

	A	B	C	D	E	F
29	Gross Profit	£205,394.82	167465.00		40220.82	164871.00
30	Expenses					
31	Accountancy	1424.00	2,000.00		-576.00	2040.00
32	Bank charges	63.70	90.00		-26.30	92.00
33	Coastal communities contract	1870.63	5,721.00		-3850.37	4080.00
34	Communications	18189.50	29,616.00		-11426.50	36000.00
35	Databases	4681.29	7,000.00		-2318.71	6000.00
36	EMPLOYER Pension contributions	3991.37	4674.00	74.00	-682.63	4844.00
37	Employer's NI contributions	1376.20	10248.00	248.00	-8871.80	12034.00
38	Fair Funding Work external support	5500.00	27500.00		-22000.00	22000.00
39	Insurance	275.00	1175.00		-900.00	1200.00
40	IT Support	328.77	700.00		-371.23	715.00
41	Legal and professional fees	1090.42	1090.00	1090.00	0.42	13.00
42	Meeting Room Hire		0.00	-1500.00		1000.00
43	Nat Centre RHC		7631.00		-7631.00	7784.00
44	National rural conference expenses		1500.00		-1500.00	1500.00
45	Printing, postage stationery & phone	2497.37	3500.00	-1286.00	-1002.63	4882.00
46	Professional subscriptions	182.00	550.00		-368.00	550.00
47	Rent and service charge	5785.60	8700.00	-1100.00	-2914.40	9986.00
48	RSN ONLINE - Website	295.00	295.00	295.00	0.00	
49	Rural England Service	7000.00	7000.00		0.00	7000.00
50	Rural Strategy/Rural Policy Expenses	4660.17	25000.00	4800.00	-20339.83	15000.00
51	Travel and subsistence	-85.58	500.00	-5500.00	-585.58	4000.00
52	HOUSING		0.00	-500.00		500.00
53	Parliamentary		0.00	-800.00		800.00
54						
55	TOTAL	59125.44	144490.00	-4179.00	-85364.56	142020.00
56	Corporation Tax			-1000.00		5516.00
57	Uncategorised Expenditure	32.00	32.00	-2000.00		
58	CAPITAL ITEMS IT EQUIPMENT	2265.00	2265.00	2265.00		

	A	B	C	D	E	F
59	TOTAL EXPENSES	61422.44	146787.00	-4914.00		147536.00
60	Net Operating Income		20678.00			17335.00
61	Net Income		20678.00			17335.00
62	BALANCE BROUGHT FORWARD		18901.00			39579.00
63	BALANCE CARRIED FORWARD		39579.00			56914.00
64						
65						
66	RE ANNUAL CHARGES INCOME BREAKDOWN					
67	Back Office		1457.00			
68	Staff Costs (Incl Vuln Panels)		3000.00			
69	Website		2332.00			
70						
71	TOTAL		6789.00			
72						
73	RE PROJECT INCOME BREAKDOWN					
74	Toolkit		500.00			
75	Utility Vulnerability Panel		800.00			
76						
77	TOTAL		1300.00			

	A	B	C	D	E
1					Attachment 6
2					
3	RSN ESTIMATES 2021/22 TO 2024/25 AS AT 12TH DECEMBER, 2020				
4		21/22	22/23	23/24	24/25
5	INCOME				
6	Coastal communities contract income	5668	5781	5897	6015
7	Rural conference Income	5000	5000	5000	5000
8	RHCA Membership	25862	26196	26720	27254
9	RSP Membership	24234	24719	25213	25717
10	Rural Eng Annual Recharge	6925	7063	7203	7349
11	Rural England project support	1000	1000	1000	1000
12	Rural fire and rescue	3995	4075	4156	4240
13	Rural housing group	7318	7465	7614	7766
14	Rural housing group website		2200		2200
15	Rural Strategy Income				
16	Rural Towns Group	11000	11220	11444	11673
17	Services				
18	SPARSE - Rural general grant	303064	301382	306630	312745
19	Strategic partnering arrangements	10000	10000	10000	10000
20	TOTAL INCOME	404066	406101	410877	420959
21	Cost of Sales				
22	Wages	239195	242787	274513	279480
23	Total Cost of Sales	239195	242787	274513	279480
24	Gross Profit	164871	163314	136364	141479

	A	B	C	D	E
25	EXPENSES EXCL WAGES)				
26	Accountancy	2040	2081	2122	2165
27	Bank charges	92	94	96	98
28	Coastal communities contract	4080	4162	4245	4330
29	Communications	36000	36720	37454	38203
30	Databases	6000	6120	6242	6367
31	EMPLOYER Pension contributions	4844	4928	7366	7513
32	Employer's NI contributions	12034	12312	17097	20940
33	Fair Funding Activity - external support	22000	20000	17000	17000
34	Insurance	1200	1224	1249	1273
35	IT Support	715	729	744	759
36	Legal and professional fees	13	13	13	13
37	Meeting Room Hire	1000	1020	1040	1061
38	Nat CentreShare of RHCA	7784	7939	8098	8260
39	National rural conference expenses	1500	1530	1561	1592
40	Printing, postage stationery and phone	4882	4979	5079	5181
41	Professional subscriptions	550	561	572	600
42	Rent and service charge	9986	10306	11296	11296
43	Rural England Service	7000	7000	7000	7000
44	Rural Strategy/Rural Policy Expenses	15000	10000	10000	10000
45	Travel and subsistence	4000	6000	6000	6000
46	HOUSING	500	800	816	832
47	Parliamentary	800	816	832	849
48	Corporation Tax	5516	657	1434	275
49	Website Upgrade		5000		
50	TOTAL EXPENDITURE	147536	144991	147356	151607
51	Net Operating Income	17335	18323	-10992	-10128
52	BALANCE BROUGHT FORWARD	39579	56914	75237	64245
53	BALANCE CARRIED FORWARD	56914	75237	64245	54117

Towards a greener Green Book process

Delivering the promise of
proportionate public funding for rural
communities

December 2020

Disclaimer

This report has been commissioned from Pragmatix Advisory Limited and funded by Britain's Leading Edge, CPRE, English Rural and Rural Services Network.

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Towards a greener Green Book process

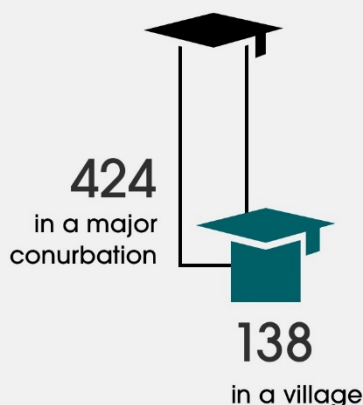
Delivering the promise of
proportionate public funding for rural
communities

Rebecca Munro and Mark Pragnell

Rural areas face a triple whammy

Higher costs

(rural areas lack economies of scale)
Average number of pupils per school



Lower funding

Local authority capital expenditure per person



Greater need

Median full-time wage per hour



The way in which government allocates spending spatially is placing rural communities at a disadvantage - and failing to unlock the opportunities they can offer to the nation as part of a digitised, decarbonised and decentralised modern economy.

The Green Book review is a missed opportunity

The Treasury's recent review of the Green Book was an opportunity to deliver a mechanism for proportionate funding as part of the commitment to levelling up and closing gaps between regions. But it has not been seized.

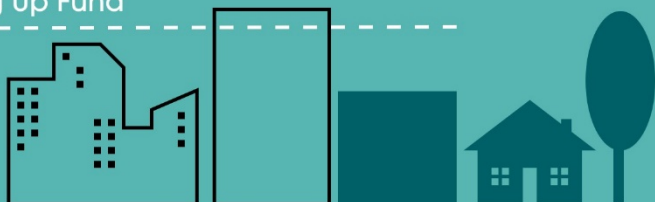


3.5%

The Green Book should recommend 'sparsity-normalised costs' in funding appraisals to redress the rural imbalance. Other options to improve the government funding process include a review of the overall discount rate used, and to consider the potential for a new lower rural-specific rate.

£4bn

Levelling Up Fund



Reducing rural disadvantage

The government's 'levelling up agenda' should encourage tangible progress in reducing rural disadvantage. Success must be measured in a way that reflects the inherent differences between country and city lives, and will require more granular public spending data at the local level.

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Introduction and summary

Pragmatix Advisory has been commissioned by Rural Services Network in association with Britain's Leading Edge, CPRE and English Rural to undertake a review of HM Treasury's *Green Book* appraisal guidance, with a view to formulating recommendations to make its application fit for purpose in rural areas and meet the government's levelling up agenda.

The rural challenge

The challenge of levelling up disadvantaged communities is one which is as much, if not more, about differences within regions as between regions. The gaps between rural and urban can be more acute than those between north and south.

There has been increased focus in recent years on the economic gap between northern England and the southern regions, including the extent to which there are differences in levels of government expenditure. Since the 2019 general election, the so-called 'Red Wall' constituencies which flipped from Labour to Conservative have provided both political and journalistic loci for the 'levelling up agenda'. But, the 'north-south divide' trope fails to capture the complexities of England's socio-economic disparities and inequalities.

Rural areas face the triple whammy of higher costs, lower funding and greater need. Lack of economies of scale mean delivery of services in rural areas will likely cost more than in urban locations. But despite this, public sector spending per head is higher in regions with a greater share of the population living in urban areas. This urban-centric bias has a particularly acute impact on the rural regions with no major cities that make up Britain's Leading Edge.

The way in which government allocates spending spatially is placing rural communities at a disadvantage - and failing to unlock the opportunities they can offer to the nation as part of a digitised, decarbonised and decentralised modern economy.

The not-so-Green Book

The Treasury's recent review of the *Green Book* appraisal and evaluation rules was an opportunity to address the treatment of sparsely populated areas and deliver a mechanism for proportionate funding as part of the commitment to levelling up and closing gaps between regions. But it has not been seized.

There is little wrong with *Green Book* itself – even before the revisions announced alongside the Chancellor's November 2020 spending review. It is a well-developed and thoroughly tested manual for the application of cost benefit analysis to public sector decision-making. But the revised guidance still does not address the rural challenge, and specific mechanisms need to be incorporated if the potential for rural disadvantage is to be reduced.

While there are no perfect solutions to achieve the desired outcome of ensuring that *Green Book* assessments support levelling up, there are a range of practical options that could be adopted to take account of the higher costs and weaker growth prospects in the areas most in need of levelling up. Options for improvement to the *Green Book* include:

- (i) Use of 'sparsity-normalised costs' in appraisals to ensure rural communities have equal chance of securing funds for projects with like-for-like outcomes as their urban counterparts; and
- (ii) Develop the new *Transformation, Systems and Dynamic Change* appendix to recognise the potential impact of transformational schemes in rural areas and to give meaningful guidance on how to appraise them.

In addition, the differential needs of rural communities could be at least partly accommodated by review and revision of the *Green Book* discount rate. Regular review of the discount rate value would permit adjustment to better reflect expected growth in per capita consumption over time; use of a new lower rural-specific discount rate could account for weaker growth prospects, partly the legacy of poor public funding, in rural communities.

Nonetheless, the greater challenge to proportionate treatment of rural communities comes from how the appraisal guidance is implemented by government departments. The Treasury is clear that the *Green Book* must sit within a broader and strategic policy development and decision-making framework, and this point is reinforced in the 2020 review. But, in practice, the outcomes for rural areas demonstrate that this is not happening effectively – and the recent revisions to the guidance do not to change this.

New guidance, either within the *Green Book* or as a separate document, is needed on how different policy interventions should be considered together to form an effective and efficient portfolio that meets the needs of varied locations and communities.

Levelling up

The imperative now is to ensure that the criteria for the success of the government's 'levelling up agenda' are specified in a way that makes visible and encourages progress in reducing rural disadvantage. Levelling up must relate to revenue spending core allocations and not just to capital spend if its objectives are to be met.

To measure and drive progress on levelling up, spend data on public services and growth enhancing Infrastructure must be published consistently at a sufficiently granular

level. Publishing data at the level of the nine English regions hides disparities within those regions and makes it impossible to track whether growth enhancing spending is reaching the places that most need levelling up.

Any framework developed to allocate national funds for levelling up should assess local needs at a minimum for each of England's 101 'Level 3' areas in the *Nomenclature of Territorial Units for Statistics*, which is broadly unitary authorities, small counties and groups of contiguous lower tier authorities in larger counties. This should be specified in Green Book guidance on place-based analysis.

It remains unclear on what metrics the success of levelling up will be measured, but whatever are chosen need to properly reflect the nature of rural disadvantage and account for the inherent differences between country and city lives.

With the allocation of the Levelling Up Fund set to be the outcome of a bidding war between different local areas, rural authorities are disadvantaged by their lack of resource and capacity to complete their applications to Whitehall. Expert resources need to be made available for rural authorities to produce business cases and advocate for their priorities.

December 2020



Report on the National Rural Conference 2021

Report to the RSN Executive (Monday, 11th January 2021)

From Kerry Booth, Assistant Chief Executive

Recommendation:

It is recommended that the National Rural Conference 2021 is held online and that the topics covered, focus on the themes of Revitalising Rural Campaign.

Background:

Due to the Pandemic, the move to working from home and the normal venue at the University of Gloucestershire being closed to outside events, the 2020 National Rural Conference was held online.

A programme of events was held over the course of a week, with themed days and a wide range of expert speakers. The conference attracted almost 400 delegates at sessions throughout the week, a significant increase on previous years engagement.

Due to the fact that speakers only had to join for their session, reducing the time taken out of their working day, the RSN was able to attract high profile speakers to the conference such as Lord Best, Chair of the Affordable Housing Commission, Ursula Bennion, Chair of the Rural Housing Alliance and Professor Sian Griffiths, advisory member of the Board of Public Health England working on the response to the pandemic.

National Rural Conference 2021

Whilst a vaccine is currently being rolled out, there is no guarantee that it will have reached the entire population by September of 2021, making it very difficult to arrange events that bring together large numbers of people.

It is proposed therefore in order to act responsibly in relation to the health of our members and hold the 2021 conference online, with a similar format to the previous one but with some changes due to the lessons learned by holding the event in 2020.

It is proposed to offer the event free of charge to members of the Rural Services Network, to strengthen the offer to member organisations. The overall focus for 2021 for the RSN is on delivering services that our membership value and retaining membership. The conference, which gives them access to a wide range of speakers and sessions is a significant benefit. 2020 saw a significant increase in Officers attending the conference from Local Authorities alongside the normal Councillors attending which demonstrates the greater reach and engagement of the RSN, into member organisations.

Providing a voice for rural communities and service providers

Rural Services Network

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The overall theme of the conference will be the Revitalising Rural campaign, and this will be narrowed down to specific subjects such as the Rural Economy as more detailed planning takes place.

The income target for the conference is £5000 in sponsorship and it is anticipated that based on the lessons learnt in 2020, this can be achieved.

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