

### **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, 15th March 2021

Time: 10:45am - 2:00pm

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 11<sup>th</sup> January 2021 to consider any relevant updates and approve the minutes.
- 3. Notes from the previous SPARSE Rural meeting. (Attachment 2) Held on 25th January 2021, to consider any relevant updates.
- **4. Notes from the previous Rural Economy Sub Group meeting.** (Attachment 3) Held on 25th January 2021, to consider any relevant updates.
- **5. Rural/Market Town Group Update.** (Attachment 4) Report from David Inman, Corporate Director.
- **Rural Village Services Group Update.** (Attachment 5) Report from David Inman, Corporate Director.
- **7. RSN Work Update & the Achievements Leaflet.** (Attachment 6 & 6A) Report from Kerry Booth, Assistant Chief Executive.
- 8. Revitalising Rural: Realising the Vision.

Update on the campaign arrangements and report on the launch event.

- Please click here to access campaign papers
- Revitalising Rural Press Release
- **9. Budget Report.** (Attachment 7)

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- **10. Comparing RSDG with the 2012 DCLG Consultation Exemplifications.** (Attachment 8) Report from Graham Biggs MBE, Chief Executive.
- 11. The Costs Associated with Remoteness Pixel Questionnaire to Selected Authorities.

  (Attachment 9)

  For information.
- 12. Review of Government Strategies "Through a Rural Lens".12.1. Skills for Jobs, Lifelong Learning for Opportunity and Growth. (Attachment 10)
- 13. APPG on Rural Services: Letters sent to Matt Warmer (Digital Minister) and Chris Pincher (Housing Minister). (Attachments 11 & 11A).
- Green Book Study by Pragmatix Advisory.
   Copy of Press Release issued on 22<sup>nd</sup> February (Attachment 12).
   Article in Politics Home 5<sup>th</sup> March 2021.
- 15. Budget 3<sup>rd</sup> March and Associated Documents Levelling Up Fund Prospectus and UK Community Renewal Fund Prospectus.
  Oral report from Graham Biggs MBE, Chief Executive.
- **16.** Any Other Business.

  The next RSN Executive meeting date is Monday, 17<sup>th</sup> May 2021.

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#### **Minutes**

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

Hosted: Online via Zoom

Date: Monday, 11th January 2021

Time: 11:15am - 2:30 pm

#### 1. Attendance & Apologies.

#### 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 (on behalf of

Cllr Adam Paynter Cornwall Council

Kerry Booth Rural Services Network

Martin Collett English Rural Housing Association
Cllr Robert Heseltine North Yorkshire County Council

David Inman Rural Services Network
Cllr Roger Phillips Herefordshire Council
Cllr Jeremy Savage South Norfolk Council

Cllr Peter Thornton South Lakeland District Council

Apologies:

Nik Harwood Young Somerset
Cllr Adam Paynter Cornwall Council
Cllr Mary Robinson Eden District Council

Cllr Mark Whittington Lincolnshire County Council

#### 2. Notes from the previous RSN Executive meeting held on 28th September 2020.

(Attachment 1)

Agreed as a correct record.

#### **Matters Arising:**

#### 2.1 **Subscriptions for 2020-2021**

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). This was proposed by Councillor Roger Phillips and approved by all in attendance.

#### 2.2 Special Executive on Housing Policies

There was due to be a Special Executive Meeting focusing on the further development of our rural housing policies. Due to other work pressures this has not taken place but will be scheduled soon.

2.3 The special **APPG** which will look at Rural Planning issues is going to take place on 27<sup>th</sup> January and the Housing Minister is going to attend from MCHLG to discuss this.

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#### 3. Rural Service Groupings withing the RSN Structures. (Attachment 2)

Report to RSN Executive by David Inman, Corporate Director.

David outlined the main points in his report and confirmed:

- 3.1 The RSN has capacity to deliver the services specified in the report.
- 3.2 The approach would be developed on an area-by-area basis, targeting the villages of a specific size (generally 2750 population but with discretion to 2000 population). Areas where there are no SPARSE or Rural Assembly members would be targeted first.
- 3.3 The Village initiative would introduce the opportunity for smaller parishes that don't identify as 'market towns' but are nevertheless service hubs for their rural area the ability to join the RSN.

Members discussed various elements of the proposal and the Executive approved the creation of a Rural Village Service Group and the renaming of the current wider group to Community Associates group.

Progress on the group would be reported to the RSN Executive on a regular basis.

**4. Provisional Settlement 2021/22 Draft Consultation Response.** (Attachment 3) Draft consultation response. (Attachment 3A)

Graham Biggs set out the main implications for rural areas regarding the proposals of increases in spending power to be funded primarily by Council Tax increases, and the detrimental impact on rural areas which already pay more on average than urban areas per head.

Frustration was noted on behalf of all by the delays to the Fairer Funding Review which has been progressing for several years without seeing any conclusions to the work from Government. It had now been pushed back further to 2022/23 'at the earliest'.

It was agreed by all present that the Chief Executive should finalise the response to the Government consultation on the Provisional Local Government Finance Settlement, due by 16<sup>th</sup> January 2021 and can be quite forceful in arguing against the unfair settlement for rural authorities.

#### 5. Revitalising Rural: Realising the Vision.

Please click here to access campaign papers.

Graham Biggs provided an update on the Revitalising Rural Launch event, which is being organised in conjunction with Lexington. The launch on 1st March 2020 will be aimed not at the RSN membership but at influencing key decision makers in Parliament and other organisations. A separate meeting will be held with the Membership in late March (to replace the Rural Assembly that was due to be held in April) to update members on the campaign.

#### 6. Rural/Market Town Group update. (Attachment 4)

David Inman, Corporate Director discussed the report and updated the RSN Executive on the Rural/Market Town Group.

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This item was only considered briefly due to the long discussion which included the RMTG in item 3.

David confirmed that there are currently 156 Town or larger Parish Councils in membership of the group spread out across England. November 2020 saw two membership meetings of the group, one for the Councillor representatives (RMTG meetings) and one for the Clerks of the Councils (RMTG Clerks Advisory Panel meeting) which were well attended.

#### 7. RSN Budget Reports.

- 7.1 Budget vs actual as mid-December 2020 & estimate 2021/22. (Attachment 5)
- **7.2** Draft Estimates for the four years 2021/22 to 2024/25. (Attachment 6)

Graham Biggs provided an overview of the two budget reports and responded to questions from the Executive including in relation to training and development of staff. Kerry Booth updated the Executive on some free training and support that has been accessed by the RSN recently for staff on areas such as social media and hosting meetings online through the ERDF. David Inman is still chasing outstanding invoices for the year 2020-2021 although there are now few of these.

#### 8. Review of Recent Government Publications 'Through a Rural Lens'.

Graham Biggs outlined the current approach of the RSN to provide a 'Rural Lens' of any key Government publications which are released, and three recent ones are below.

In relation to the issue of the rollout of Broadband, Graham advised the Executive that the Public Accounts Committee had recently published a fairly critical report on the rollout of Broadband which highlights the difficulties of rural areas in accessing decent broadband. Graham is working with the Chair of the APPG for Rural Services to send a letter to the Digital Minister, Matt Warman MP, on the issues for rural areas. The Rural Coalition is meeting next week and will also consider the issue of Rural Broadband.

There was a discussion amongst the Executive of the problems that rural areas face in the lack of decent broadband and that the RSN has long been campaigning on this as an issue on behalf of the membership.

#### 8.1 Spending Review 2020.

<u>Please click here to access article 'Comprehensive Spending Review – Key Rural</u> Concerns'

- 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)

Graham Biggs explained that he has received the report by Pragmatix Advisory on the review of the Green Book. The report has been written for the Treasury and is in the language that is

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relevant to the Green Book. Graham has developed a summary for wider circulation in due course – once considered by all the Funders. The results of the review will also be sent to Rural MP's so that they can understand that whilst recent changes are welcome, there is still a long way to go until Rural and its particular characteristics are properly considered in decision making.

#### 10. National Rural Conference 2020. (Attachment 8)

Kerry Booth, Assistant Chief Executive discussed the report.

Kerry outlined her approach to the National Rural Conference 2021 as an online conference, over the course of several days in the Autumn which would be free to Rural Services Network members. It is felt that the RSN can build on the success of the online conference in 2020 having learnt some lessons about the best approach and what works well and what does not. The Executive discussed some areas for the conference, such as the ability to attract high profile speakers due to the convenience of it being run online, saving on time and cost of travel and the idea of including session on broadband and community broadband.

The Executive approved the recommendation of a National Rural Conference being held online in 2021 in accordance with the Revitalising Rural Campaign themes.

Whilst the importance of networking in person was also discussed, the benefits of the engagement from the conference, across the membership and the significant increase in delegates compared to an in-person conference was highlighted. It was decided that in future perhaps an alternative approach could be explored to enable in person networking at the Annual Meeting. Proposals on this would be brought back to a future Executive when the pandemic allows.

#### 11. Any Other Business.

Councillor Jeremy Savage raised the issue of **the distance that rural residents may have to travel to get the vaccine** in the coming months. It was suggested that Councils may be able to assist with the provision of spaces for vaccine centres such as leisure centres.

It was noted that it is possible that the **May elections** to Councils would be delayed until later in the year.

An item discussed for consideration at a future meeting was the roll out of a greater **electricity network** to support the move towards electric vehicles, heat pumps etc. Not all rural properties had wiring which would be adequate to provide enough electricity to charge vehicles overnight. There should be a coordinated approach to the utility companies on this issue. This should be considered and explored at a future Executive meeting in the context of the recently published Energy White Paper.

The next RSN Executive meeting date is Monday, 15th March 2021.

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## **Notes of last SPARSE Rural meeting**

Title: SPARSE Rural Meeting

**Rural Services Network Special Interest Group** 

**Date:** Monday, 25<sup>th</sup> January 2021

Venue: Hosted Online via Zoom

#### **Attendance**

An attendance list is attached as **Appendix A** to this note.

#### Item Decisions and actions

#### 1 Attendance & Apologies

Cllr Cecilia Motley (Chair, Rural Services Network and Shropshire Council) welcomed members to the meeting.

Kerry Booth (Rural Services Network) outlined the structure of the discussion which would cover the main issues concerning the Local Government Finance Provisional Settlement and SPARSE's response. Apologies taken as read.

#### 2 Notes from the previous SPARSE Rural meeting

The minutes from the previous meeting held on 12 October were approved.

Graham Biggs MBE (Chief Executive, Rural Services Network) updated the group on progress with discussion on the planning white paper and changes to the current planning system. Members noted that the Rural Services APPG has an imminent meeting with the Housing Minister to discuss rural issues.

Mr Biggs also informed members that the APPG meeting with the Digital Minister on Digital infrastructure had taken place and that agreement had been reached to send a letter from the APPG Chair to the Minister regarding confusion around rollout of digital capable broadband following the 2020 Spending Review. The minutes were approved.

#### 3 Notes from the previous RSN Executive meeting

Mr Biggs referred to recent government White Papers and Policy proposals and assured Members that these are being reviewed with the intention of providing an overall headline rural analysis.

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The group noted details of DfT's call for evidence to inform a future Rural Transport Strategy. Transport Authority members have been consulted for their comments and there are already concerns that implications for rural areas of the present situation are not being considered. The Chair agreed that this continues to be an issue, given limited transport in rural areas. Members felt that this point will need to be made quite strongly in the response and reflect the importance of revitalising rural areas.

The minutes of the meeting were noted

#### 4 Provisional Settlement 2021-2022

Members received a presentation by Graham Biggs on the Provisional Settlement for 2021/22. Slides from Pixel, which showed the rural perspective and the national position, were included to further inform the discussion.

Please note that full notes outlining what was discussed in this item are available only to <a href="mailto:SPARSE members of the RSN">SPARSE member of RSN</a> and would like to view the full notes, please email us at <a href="mailto:admin@sparse.gov.uk">admin@sparse.gov.uk</a> with the title of this meeting and date and a request for full notes and presentation, and we will forward you this information.

Mr Biggs discussed inequalities around funding and allocation of spending power and outlined comparisons between predominantly rural and urban areas. Funding is massively lower for rural areas.

Members noted the composition of the provisional settlement. It was clear from the evidence that rural areas will once again be held down and will not be levelled up until there is a fair distribution of the resources Government provides to support local government services.

The Chair said that she felt the rural services delivery grant is used to placate and there is a need to demonstrate that this is a tiny amount compared to the inequity that has built up over the years.

Members were invited to comment. Cllr Motley thanked Mr Biggs and colleagues for an interesting and informative discussion.

#### 5 Any Other Business

Members were invited to raise any other business they wished to discuss.

Cllr Yvonne Peacock referred to problems around community led housing and difficulties in getting housing funding unless you a social letting agent.

The Secretariat referred to discussion on the subject by previous speakers and agreed to try and source a helpful contact.

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Action: Kerry Booth (Rural Services Network) to provide contacts to Cllr Peacock.

Cllr Motley thanked colleagues for their attendance and members were reminded to login separately for the meeting being held in the afternoon.

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#### Appendix A

#### **Attendance**

Cllr Philip Atkins

Cllr Owen Bierley

Graham Biggs

Kerry Booth

Louise Branford-White

Nigel Burch

Staffordshire County Council

West Lindsey District Council

Rural Services Network

Rural Services Network

Hambleton District Council

South Holland District Council

Cllr Janet Clowes Cheshire East Council

Fatima De Abreu Local Government Association
Cllr Marion Fitzgerald Allerdale Borough Council
Cllr Robert Heseltine North Yorkshire Council
Cllr David Hitchiner Herefordshire County Council

David Inman Rural Services Network
Toby Matthews Norfolk County Council

Callum McKeon Richmondshire District Council
Roger McLeod South Oxfordshire District Council

Cllr Cecilia Motley (Chair) Rural Services Network / Shropshire Council

Cllr Yvonne Peacock Richmondshire District Council
Cllr Roger Phillips Herefordshire County Council
Cllr Ken Pollock Worcestershire County Council

Jenny Poole Cotswold District Council
Cllr Mary Robinson Eden District Council

Cllr Richard Sherras Ribble Valley Borough Council
Cllr Jacky Smith South Kesteven District Council
Russell Stone North Kesteven District Council

Paul Sutton Eden District Council
Cllr Virginia Taylor Eden District Council

Cllr Peter Thornton South Lakeland District Council

Nadine Trout Rural Services Network

Cllr Sue Tucker Scarborough Borough Council
Stephen Walford Mid Devon District Council
Cllr Mark Whittington Lincolnshire County Council

Cllr David Worden North Devon Council

Richard Wyles South Kesteven District Council

#### **Apologies**

John Birtwistle FirstGroup plc

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Cllr Gwilym Butler Shropshire Council

Martin Collett English Rural Housing Association

Cllr James Easter South Norfolk Council

Cllr Richard Good Richmondshire District Council
Helen Harris Leicestershire County Council

Nik Harwood Young Somerset

Cllr Oliver Hemsley Rutland County Council

Karen Henriksen Derbyshire Dales District Council
Cllr Sarah Whalley-Hoggins Stratford-Upon-Avon District Council

Cllr Neil Hughes
Cumbria County Council
Harborough District Council
Peter Lappin
Devon County Council
Cllr Petrina Lees
Uttlesford District Council
Cllr Chris Mapey
East Suffolk District Council

John Mullen Breckland Council and South Holland Council

Alistair Neill Herefordshire County Council
Jayne Pickering Wychavon District Council
Gary Powell Teignbridge District Council
Cllr John Raper Ryedale District Council

Julia RavenSouth Northamptonshire CouncilCllr Louise RichardsonLeicestershire County CouncilRobin RogersOxfordshire County CouncilCllr Janice RoseNorthumberland County Council

Cllr Paul Skinner

Cllr Margaret Squires

Mid Devon District Council

Cllr Peter Stevens

West Suffolk Council

Lichfield District Council

Cllr Peter Thornton

Cumbria County Council

Cllr John Ward

Boston Borough Council

Mid Devon District Council

Cuncil

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## **Rural Economy Sub Group meeting**

**Date:** 25<sup>th</sup> January 2021 **Subject:** Rural Economy **Chair:** Graham Biggs MBE **Host:** Online Event via Zoom

# Learning Outcomes Key Issues Highlighted by Speakers

## Ivan Annibal – Social Value Engine

- The Social Value Engine<sup>1</sup> developed by Rose Regeneration and East Riding of Yorkshire Council provides a place focussed, online platform that assesses the potential economic benefit of non-commercial projects.
- The platform uses 220 peer reviewed financial proxies to generate a theoretical cost benefit for proposed schemes, is useful to a broad range of users from fire, police and local authorities to community groups and social enterprises and is accredited by Social Value UK.
- The outputs of the Social Value Engine are an invaluable source of information for engaging with the communities within which projects are proposed, and for securing financial backing to make action possible.

## **Graham Biggs MBE – Towards a Greener Green Book Process**

- The Green Book is the government's processes on options appraisal and applies
  to all proposals that concern public spending, taxation, changes to regulations,
  and changes to the use of existing public assets and resources. It is mainly use
  on capital projects.
- The Green Book Review 2020 concluded that 'the current appraisal practice is likely to undermine the government's ambition to "level up" poorer regions'.
- Considering the review, the RSN (with Britain's Leading Edge, CPRE & English Rural HA) commissioned Pragmatix Advisory to report on the Green Book, the findings and Government's response to the Green Book Review 2020.
- The Pragmatix report, 'Towards a Greener Green Book Process', highlighted several areas where the appraisal system is failing rural communities and considered options for making Government decisions fairer for rural people.
- It was noted that reducing rural disadvantage must be part of the levelling up agenda, however 'levelling up' is currently poorly defined and seems to be a changing narrative.
- To ensure 'levelling up' is achieved across the country, including rural England, the metrics of success need to be defined, understood, and consistently applied.

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<sup>&</sup>lt;sup>1</sup> www.socialvalueengine.com

- It was found that capital expenditure was currently delivering fewer outputs in rural areas than would be found in urban.
- There is very little usable government research in rural/urban difference in costs, yet a simple cost per unit calculation which is the current norm will always favour urban investment, with no regard taken to social value, transformative outcomes or past overspending in a particular location.
- Greater need in rural areas is explicitly acknowledged in the UK funding to Wales, yet the Green Book appraisal process currently reinforces incrementalism and inertia due to its limited rural consideration.

## Key Issues facing the Rural Economy discussed

- The continued lockdown due to the Covid-19 pandemic is putting a wide range of rural businesses under intense pressure for survival, as well as having potentially long-term effects on community participation within the voluntary sectors.
- Business types that were noted as being particularly vulnerable were those
  relying on incoming visitor spend, those that generate much of their income
  during key periods of the year that have been lost, those that had premises too
  small for future social distancing requirements, and those that needed to
  generate reserves for future investment.
- Alongside the impact of Covid lockdowns, businesses are now having to adjust to the new trading relationship with the European Union. It is a moment of intense pressure for a great many rural businesses and service providers.
- Conversely, it was noted that some rural businesses are thriving because of the new appreciation of rural living in 'lockdown' England and the desire to live and work rurally. Adoption of online work, learning and leisure services has mitigated the effects of lockdown for a great many, but there are rural areas where good broadband is not possible and therefore the lockdown is causing a significant divide of opportunity. Lack of digital skills can also be a key issue.

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#### **Attendance**

Full Name Organisation

Vinia Abesamis Herefordshire Council
Ivan Annibal Rose Regeneration
Darren Arulvasagam South West Mutual
Tess Ax Cornwall Council
Amy Beckett Stroud Council

Cllr Owen Bierley West Lindsey District Council
Graham Biggs Rural Services Network
Kerry Booth Rural Services Network

Steve Capes Derbyshire Dales District Council Christine Clarke Community Catalysts C.I.C

Amy Cobbett NFU
Ben Colson Bus Users

Jo Dixon Action Hampshire & Hampshire Rural Forum

Richard Dowson RAEC Ltd

James Elliott South Northants Council

Cllr Roger Habgood Somerset West and Taunton District Council
Duncan Hall King's Lynn and West Norfolk Borough Council

Helen Harris Leicestershire County Council

Nik Harwood Young Somerset

Lizzi Hearn CPRE

Michael Hewitt **Cherwell District Council Andrea Hines** Allerdale Borough Council Claire Holt **Durham County Council** Lauren Hopson-Haw Ryedale District Council Nick Hubbard Citizens Advice Sedgemoor David Inman **Rural Services Network** Paul James Cotswold District Council East Suffolk Council Sonia Lambert **Toby Matthews** Norfolk County Council Claire Maxim Arthur Rank Centre

Andrea McCallum Hampshire County Council
Cllr Yvonne Peacock Richmondshire District Council

Cllr Roger Phillips Herefordshire Council

Cllr Ken Pollock Worcestershire County Council
Toyubur Rahman Chichester District Council
Michael Reynolds North Yorkshire County Council

Cllr Mary Robinson Eden District Council
David Rodda MBE Cornwall Council

Janice Rose Northumberland County Council

Melanie Sealey Devon County Council

Kay Sentence Thame clt

Cllr Richard Sherras Ribble Valley Borough Council Liz Small North Yorkshire County Council

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Cllr Virginia Taylor Eden District Council
Mo Toft Chichester College

John Tonge Stratford-on-Avon District Council

Nadine Trout Rural Services Network
Cllr Sue Tucker Scarborough Borough Council

Mark Wathen Somerset West and Taunton District Council

Cllr Amy Wheelton South Derbyshire District Council
Cllr Mark Whittington Lincolnshire County Council
Cllr Mark Winnington Staffordshire County Council

Hattie Winter Somerset West and Taunton District Council

Dan Worth Rural Services Network

## **Apologies**

Full Name Organisation

Martin Allman Cumbria County Council
Rachel Baconnet Warwickshire County Council

Cllr Tim Ball Bath and North East Somerset Council

Cllr Frances Beatty Stafford Borough Council
Mandie Berry North Somerset Council

John Birtwistle FirstGroup plc

Chris Brooks Wychavon District Council
Cllr Christine Byliss Rother District Council

Cllr John Clark South Somerset District Council

Beccy Coombs

Babergh and Mid Suffolk District Council

Hinckley & Bosworth Borough Council

Cllr Donald Davies North Somerset Council
Andrea Davis Exmoor National Park

Fiona Duhamel Babergh and Mid Suffolk District Council

Cllr Kevin Dukes Bassetlaw District Council
Cllr Janet Duncton West Sussex County Council

Georgina Edwards Plunkett Foundation

Helen Flynn Nidderdale Plus Community Hub

Cllr Kevin Frea Lancaster City Council
Cllr Anthony Gillias Rugby Borough Council

Ahmed Goga Oxfordshire LEP

Alan Gray North Kesteven District Council

Jessie Hamshar Cornwall Council

Cllr Michael Harris New Forest District Council

Nik Harwood Young Somerset

Cllr Paul Hayward East Devon District Council
Cllr Robert Heseltine North Yorkshire County Council

Deborah Kemp Pub is The Hub

Cllr Chris Kettle Stratford District Council
Cllr Phil King Harborough District Council
Louise Kite Lancashire County Council

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#### **Attachment 3**

Cllr Richard Leppington Forest of Dean District Council Martyne Manning Stafford Borough Council Cllr Chris Mapey East Suffolk District Council **Brian Norris** Living Memories C.I.C **Brian Norris** Living Memories C.I.C. Helen Parrott Arts Council England **Wychavon District Council** Jayne Pickering **Gary Powell** Teignbridge District Council **Emily Preston Hampshire County Council** 

Julia Raven South Northamptonshire Council
Cllr Louise Richardson Leicestershire County Council
Cllr Jacky Smith South Kesteven District Council

Cllr Peter Stevens West Suffolk Council
Cllr John Ward Babergh District Council
John Ward Chichester District Council

Sarah Welsh Peak District National Park Authority

Cllr Wayne Whittle Isle of Wight Council

Nigel Wilcock iED (Institute of Economic Development)/Mickledore

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#### **Rural/Market Town Group Update**

Report to the RSN Executive (Monday, 15<sup>th</sup> March 2021) from David Inman, Corporate Director

#### **Purpose**

This report seeks to update the RSN Executive on the Rural /Market Town Group after 18 months of work on this RSN development project.

#### **Current Situation**

At the time of writing this report membership stands at 185 members. As with the initial invitees there is a period of free membership for some half of these local councils.

The target has always been to secure a membership of around 200 members from the c800 Rural Towns which are scattered across England. Ensuring there are Towns from the various forms of rural area in England has always been important. It would also be good if we could get as much parallel operation as is possible in a membership situation between our c120 Local Authority members and our RMTG membership.

- (a) In terms of coverage of the totality of 'rural England' there are approximately 30 more areas where it would be desirable to achieve a membership if it were possible.
- **(b)** in terms of trying to achieve as much parallel running with our Local Authority membership as is possible we are getting closer. There are nine more members to achieve from this perspective. These are Blaby, Forest of Dean, Isle of Wight, Lichfield, North Herts, Rugby, Tewkesbury, and Wychavon.

Inevitably with a new group we must anticipate more coming and going than is the case with well – established, well based, subscription operations. It is still relatively early days but given the level of initial interest a stable group of 200 towns does seem to be proving a realistic goal.

To give structure to the operation we have formed an Officer Steering Group of some ten local council officers. We have sought to make sure that this Group has a good variant of size of authority and representation of all English regions. It is hoped this Group will complement the two meeting groups namely the Clerks Advisory Panel meeting and the RMTG meeting of councillor representatives (all member local councils are invited to these).

#### Conclusion

The work is proceeding well and we will keep the RSN Executive frequently updated.

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David Inman, Corporate Director

Kilworthy Park, Tavistock, Devon PL19 0BZ

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#### **Rural Village Services Group Update**

Report to the RSN Executive (Monday, 15<sup>th</sup> March 2021) from David Inman, Corporate Director

#### Introduction

Following the decision from the last RSN Executive meeting on Rural Village Services Group we have done research into developing this group in the future. We have taken five 'counties', mainly those that are not in RSN membership (the exception being North Yorkshire, as requested by the First Vice chair) and using the figure of 2,750 population as the mean average for this purpose. As can be seen most parishes have a population below this figure and do not figure in this exercise. We have investigated how the larger parishes/towns split around that mean average figure.

#### The minute of the meeting read as follows:

#### Rural Service Groupings withing the RSN Structures. (Attachment 2)

Report to RSN Executive by David Inman, Corporate Director.

David outlined the main points in his report and confirmed:

- 3.1 The RSN has capacity to deliver the services specified in the report.
- The approach would be developed on an area-by-area basis, targeting the villages of a specific size (generally 2750 population but with discretion to 2000 population). Areas where there are no SPARSE or Rural Assembly members would be targeted first.
- 3.3 The Village initiative would introduce the opportunity for smaller parishes that don't identify as 'market towns' but are nevertheless service hubs for their rural area the ability to join the RSN.

Members discussed various elements of the proposal and the Executive approved the creation of a Rural Village Service Group and the renaming of the current wider group to Community Associates group.

Progress on the group would be reported to the RSN Executive on a regular basis.

#### Investigation

Our research revealed the following population pattern in the 5 Counties we have researched:

Area	Total number of Parishes	Division o	Numbers of parishes/towns to be approached		
North Yorkshire	585	<b>18</b> (2,000-2,750)	<b>14</b> (2,750-4,000)	<b>20</b> (above 4,000)	52
Buckinghamshire	142	<b>14</b> (2,000-2,750)	<b>9</b> (2,750-4,000)	<b>27</b> (above 4,000)	50
Redcar/ Cleveland	5	<b>0</b> (2,000-2,750)	<b>2</b> (2,750-4,000)	<b>3</b> (above 4,000)	5
Wiltshire	232	<b>18</b> (2,000-2,750)	<b>8</b> (2,750-4,000)	<b>17</b> (above 4,000)	43
Dorset	230	<b>10</b> (2,000-2,750)	<b>7</b> (2,750-4,000)	<b>21</b> (above 4,000)	38

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Rural Services Network

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We may add Gloucestershire, Cornwall, and Bedfordshire into the equation as breakdown is completed.

#### Recommendations

Our thoughts are as follows:

We are suggesting work commences in the summer in relation to the areas listed. There is a total of 188 'parishes' involved.

- Communities in the Counties in the bands listed would be approached with a view to establishing the Group.
- Communities between 2,750 and 8,000 population would be given details of both the Village Service and the Rural/Market Town Service and allowed to choose between the two.
- However, it is suggested communities of more than 8,000 population would normally solely be offered Rural/Market Town membership.

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## **RSN Work January-March 2021**

Report to the RSN Executive (Monday, 15<sup>th</sup> March 2021) from Kerry Booth, Assistant Chief Executive

#### Aim

To provide the Executive with an update on meetings hosted and supported by the RSN since the last Executive meeting along with key campaigns and work carried out.

#### To date in 2021 we have hosted the following meetings:

				Atte	ndees	
Event	Who can attend	Date	LA	RSP	RMTG	TOTAL
Sparse Meeting	Sparse authorities	25.01.21	29	0	0	29
Rural Economy Sub Group meeting	Sparse / Rural Assembly/RSP/RHCA	25.01.21	37	12	0	49
Rural Education, Training and Skills Seminar	Sparse/Rural Assembly/RSP/RHCA/RMTG	27.01.21	26	15	6	47
Rural Transport Seminar	inar Sparse/Rural Assembly/RSP/RHCA/RMTG		30	21	22	73
RMTG Clerk Meeting RMTG Clerks		4.3.21			22	22
APPG AGM Invited Parliamentarians on APPG		27.01.21	-	-	-	-

<sup>\*</sup>Not including RSN Staff or Speakers

#### Key points to note

- The seminar programme was changed in Autumn 2020 to remove the regional element to the sessions and enable a wider audience across the Rural Services Network membership to attend.
- Meetings in 2021 have been well attended to date by those entitled to join through their type of membership.
- There has been increase in RMTG booking onto seminars, this will be monitored for future events to ensure that Local Authorities and Rural Services Partnership Members are able to attend.

#### Wider Campaigns and Work

- All Party Parliamentary Group AGM was held in January at which Philip Dunne MP was confirmed as Chair of the Group. The session explored the Planning White Paper and the Housing Minister the Rt Hon Christopher Pincher MP attended.
- Research into Green Book completed by Pragmatix Advisory with report produced, <u>Towards a greener Green Book process</u>. Work was commissioned by RSN, English Rural, Britain's Leading Edge and CPRE, the countryside charity. Report exposes how rural communities are poorly served by government's mechanisms for allocating public funds.
- Launch of <u>Revitalising Rural: Realising the Vision campaign</u> at launch event with Parliamentarians, chaired by Philip Dunne MP.
- RSN submitted response to <u>Future of Transport: Rural Strategy</u> Call for Evidence following consultation with membership of RSN.
- Through a <u>Rural Lens Skills for Jobs White Paper</u> published, which explores the White Paper and raises any issues or implications for rural areas.

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**OUR 2020** 

## OUR SERVICES TO YOU IN 2020



Hosted the **2020 National Rural Conference** online with almost 400 delegates throughout the week long event, 15 expert speakers focused on the Rural Economy, Rural Housing, the Environment, Rural Connectivity and Rural Health and Care



Hosted a specific **Finance Seminar** exploring Local
Government Finance



Hosted a **Planning Seminar** on the implications for rural of the Planning White Paper

## **IN MEMBERSHIP**

**121** Local Authorities

**215** Rural Services Providers

**155** Rural Market Towns



Regional networking seminars hosted with 21 expert speakers throughout the year and 283 delegates from across our membership attending them

Rural bulletins published to over 20,000 people each week



(12)

Rural funding digests produced which highlight a selection of funding and grant opportunities

Hinterland publications published providing a unique insight from rural specialist Ivan Annibal





Neighbourhood Planning evidence base produced for all parishes within Sparse Local Authority membership

Rural analysis articles published





## **RSN Meetings**

2x Sparse meetings

2x Rural Assembly meetings

2x Rural Economy Group meetings

2x Rural Health and Care Group meetings





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www.rsnonline.org.uk



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**OUR 2020** 

WE REPRESENTED YOU NATIONALLY IN 2020

## Defra Rural Stakeholder Impact Forum (RSIF)

RSN has been part of the DEFRA RSIF, created in lockdown, meeting weekly, and now fortnightly, ensuring that those in Govt are aware of key issues affecting rural areas.

We have surveyed our membership on the following key issues to inform debate at the meetings: short/long term impact on the rural economy, domestic abuse and homelessness, the affordable housing algorithm and the effectiveness of support measures for the rural economy.

Supported 5 Rural Services All-Party Parliamentary Group meetings on Connectivity and Transport, CSR and Digital Connectivity

Represented members on the National Centre for Rural Health & Care and National Rural Crime Networks





## Revitalising Rural, Realising the Vision Campaign

Revitalising Rural sets out a number of key areas where the RSN believes that the Government must take action in order to Revitalise Rural and level up rural areas. We have been busy engaging with you all and consulting on the plans throughout 2020 and will be officially launching our asks of Govt in March 2021.

www.rsnonline.org.uk/revitalising-rural



The 2021-22 Provisional Settlement has seen the increase of the Rural Services Delivery Grant by £4m to £85M. We continue to campaign to see the principle extended to all rural authorities.

## Evidence submitted to Parliamentary Inquiry and consultation

- Lords COVID-19 Committee's inquiry, Living online: the longterm impact on wellbeing
- Spending Review Consultation
- Planning White Paper Consultation
- Changes to the Planning System Consultation
- Future of Transport: Rural Strategy call for evidence
- Provisional Settlement for Local Government Finance
- Neighbourhood Planning
- Rural implications on the standardised housing number methodology
- NHS Building a strong, integrated care system across England

	А	В	С	D	E	F	G
1							
2						Attachment 7	
3	The Rural Se	rvices Partne	rship Limite	d			
4	Budget vs. Actuals: RURA	L SERVICES F	PARTNERSI	HP - FY21 P	&L		
5	Apr	il 2020 - March 2	2021				
6		AS AT 12TH DE	CEMBER 2020	ACCRUAL BA	ASIS		
7			Tota	ıl			
				2020/21	<b>ACTUAL TO</b>		
				VARIATION	DATE		
		2020/21	2020/21	FROM	OVER	ESTIMATED	
		ACTUAL	REVISED	ORIGINAL	ANNUAL	BUDGET	
8		12/12//20	BUDGET	BUDGET	BUDGET	2021/22	
9	INCOME	£	æ	£	£	£	
10	Coastal communities contract income	4,511.30	5,557.00		-2179.08		
11	National rural conference	2,608.02	2,608.00	2464.00	25.02	5000.00	
12	RHCA Membership	13,653.62	27,383.00	-3975.00	-22644.64	25862.00	
13	RSP Membership	17,972.08	17,972.00	-1449.00	-1654.42	24234.00	
14	Rural England Annual Re CHARGES	5,094.50	6,789.00		-6789.00		
15	Rural England project support		1,300.00	1300.00	-1300.00		
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	10,097.92	11,848.00	11848.00	-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	309,918.00	310632.00	9046.00	-4075.00		
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	395247.44	416009.00	20061.00	-36854.20	404066.00	
26	Cost of Sales						
27	GROSS WAGES	217,804.64	235361.00	-6439.00	-77,075.02	239195.00	

	A	В	С	D	E	F	G
28	Total Cost of Sales	217804.64	235361.00	-6439.00	-77,075.02	239195.00	
29	Gross Profit	177442.80	180648.00		40220.82	164871.00	
30	Expenses						
31	Accountancy	1,763.00	2,000.00		-576.00	2040.00	
32	Bank charges	88.10	95.00	7.00	-26.30	92.00	
33	Coastal communities contract	1,870.63	5,721.00		-3850.37	4080.00	
34	Communications	23,679.50	29,616.00		-11426.50	36000.00	
35	Databases	5,632.45	6,000.00	-1000.00	-2318.71	6000.00	
36	EMPLOYER Pension contributions	4794.05	5194.00	474.00	-682.63	4844.00	
37	Employer's NI contributions	1376.20	10248.00	248.00	-8871.80	12034.00	
38	Fair Fundinging Work external support	5500.00	27500.00		-22000.00	22000.00	
39	Insurance	1485.78	1486.00	311.00	-900.00	1200.00	
40	IT Support	328.77	330.00	-370.00	-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		-7631.00	7784.00	
44	National rural conference expenses		1500.00		-1500.00	1500.00	
45	Printing, postage stationery & phone	2932.59	3100.00	-1686.00	-1002.63	4882.00	
46	Professional subscriptions	182.00	200.00	-350.00	-368.00	550.00	
47	Rent and service charge	7967.86	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 housing group website expenses	167.88	168.00	168.00			
51	Rural Strategy/Rural Policy Expenses	14406.25	25000.00	4800.00	-20339.83	15000.00	
52	Travel and subsistence	-85.58	500.00	-5500.00	-585.58	4000.00	
53	HOUSING		0.00	-500.00		500.00	
54	Parliamentary		0.00	-800.00		800.00	
55	Uncategorised Expense	551.00					
56	TOTAL	88656.90	143374.00	-5413.00	-85364.56	142020.00	
57	Corporation Tax			-1000.00		5516.00	

	А	В	С	D	Е	F	G
	Uncatagorised Expenditure	32.00	32.00	-2000.00			
59	CAPITAL ITEMS IT EQUIPMENT	2265.00	2265.00	2265.00			
60	TOTAL EXPENSES	90953.90	145671.00	-6148.00		147536.00	
61	Net Operating Income		20678.00			17335.00	
62	Sundry income	1009.89	1009.89				
63	Net Income		34977.00			17335.00	
	BALANCE BROUGHT FORWARD		18901.00			53878.00	
65	BALANCE CARRIED FORWARD		53878.00			71213.00	
66							
67							
68	RE ANNUAL CHARGES INCOME BREAK	DOWN					
69	Back Office		1457.00				
70	Staff Costs (Incl Vuln Panels)		3000.00				
71	Website		2332.00				
72							
73	TOTAL		6789.00				
74							
75	RE PROJECT INCOME BREAKDOWN						
	Toolkit		500.00				
77	Utility Vulnerability Panel		800.00				
78							
79	TOTAL		1300.00				



### **RSD Allocation in Comparison to the 2012 DCLG Consultation**

Report to the RSN Executive (Monday, 15<sup>th</sup> March 2021) From Graham Biggs MBE, Chief Executive

### **Background**

- **1.1.** In 2012 DCLG (as it then was called) issued a Consultation on changes to the Local Government Funding Formula from 1<sup>st</sup> April 2013. The **only** changes proposed were in respect of increases to certain allowances within the formula for the costs of sparsity or were (beneficially) rurally related.
- **1.2.** The changes came about following a detailed study carried out by LG Futures on behalf of the RSN carried out in 2010 and 2011. Sustained pressure from the Rural Fair Share Group of MPs was undoubtably instrumental in getting the Government to make the changes it did.
- **1.3.** The changes were in respect of:
  - Increase the super sparsity weighting.
  - Increase in Sparsity Top Up for Older Persons Personal Social Services.
  - Increasing the proportion accounted for by the District Level EPCS (Environmental, Protective and Community Services) sparsity.
  - Re-instating the County Level EPCS Sparsity Top up.
  - Creating a Fire Sparsity Top Up.
  - Uprating Fixed Cost Amount ('won' by RSN in the early 2000's) by RPI.
- **1.4.** The 2012 Consultation exemplified at individual authority level (and by class of authority) the combined effects of the proposal both before and after damping. Damping being the then (2012) calculation formula. In effect the exemplification showed what the 2012/13 formula allocations would have been if the changes had been in operation in that year. It was not an exemplification of what funding levels would be in 2013/14 or future years.
- 1.5. The pre-damped amount exemplified was £249,894M. Post exemplified damped the figure was £68,466M. So even on the basis of the 2012 damping regime some 72.6% would have been lost to damping.
- **1.6.** Following the Consultation, the Government accepted all its proposed changes. We were euphoric as was the Chair and members of the Fair Share Group. We should have known better!!!!
- **1.7.** When the Provisional Settlement for 2013/14 came out things looked very different. The overall quantum being distributed reduced massively (austerity years), the move to 50% 'Business Rates Retention' was introduced, the basis of the calculation of damping was changed and the formula was frozen for 7 years to avoid huge swings in resource allocations (over and above the austerity cuts) due to the changes.

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- 1.8. In effect 75%, on average, of the 2012 exemplified rural gains were lost through the changes referred to above. One difficulty we have had since this time is that the 25% (on average) increase which did get through was completely offset and more by the massive scale of the austerity cut backs. Unlike RSDG which is clearly identified in all Settlements the 25% is invisible. Persuading people that it 'would have been even worse for you without the formula changes we have won for you" was never going to be an easy sell!
- **1.9.** The 'on average' point is an important one to note. In practice, damping operates at 'authority type' level. Thus, if -for instance -a County Council benefits from damping the cost of that is met by County Councils across England.
- 1.10. The Rural Fair Share Group of MPs were so incensed that a large number wrote to the then Prime Minister threatening to vote against the final settlement. In a very rare event indeed a change was made between the Provisional and Final Settlements by the introduction of the ESSSA (Efficiency Support for Services in SPARSE Areas). It was £8.5m and was introduced in January 2013 for the 13/14 Settlement.
- **1.11.** The RSN objected to the ESSSA naming and for future years it became and is still RSDG (Rural Services Delivery Grant)
- 1.12. Set out below (Table 1) is an extract from a Rural Fair Share Document dated 2015. This, in effect, states the line we have been taking on this issue to date.

#### Table 1

#### The "Ask"

- The residual amount of Revenue Support Grant (estimated by us to be £130m just 0.65% of total SFA) left to be allocated in cash terms based on the (predamped) amount of £255m exemplified by the Government in 2012 (through DCLG) as being due to authorities as a result of increases made in the sparsity adjustments to the formulae be paid now through a Rural Service Delivery Grant mechanism.
- The amount of the £130m to be allocated to individual rural Local Authorities and Fire and Rescue Services be in direct proportion to that shown in the exemplified distribution of the £255m in the Summer 2012 Consultation to all the rural authorities/services listed in that consultation document.

#### The Rationale

- In the DCLG Summer 2012 Consultation the Government said that it "accepts, based on available evidence, that such a correction [a correction applied so that there is proper recognition of the additional costs of delivering services in rural areas] is warranted".
- The government therefore proposed, and subsequently agreed, that increases

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- should be made in the sparsity weightings.
- The Summer Consultation exemplified its proposals (pre-damping) as amounting to some £255m and listed the authorities to which the adjustment would relate and an amount "due" to each authority.
- Despite the fact that the proposals were, in effect, seeking to right an historic wrong, on average, some 75% of the exemplified gains were lost to authorities due to damping and other changes.
- From 2013/14 DCLG introduced what is now termed Rural Service Delivery Grant worth £15.5m (equal to just some £1.10 per head) paid to 94 authorities in 2015/16. We estimate that taking this grant, and the amount that was paid to authorities, into account a sum of £130m of the £255m is still due to authorities once an adjustment is made for the scale of government grant reductions overall since that time.
- In times of reducing public expenditure, it is more, rather than less, important to distribute the available resources between different areas fairly. Based on the Government's own words in 2012 the present grant distribution methodology is, in its outcomes, unfair to rural areas.
- **1.13.** RSDG has increased significantly over the intervening years. The amounts per year are set out below in **Table 2.**

Table 2

Year	Amount £M
2013/14 (as ESSSSA)	8.5
2014/15	11.5
2015/16	15.5
2016/17	20
2017/18	35
2018/19	50
2019/20	65
2020/21	81
2021/22	85

- **1.14.** What has not changed is that RSDG is still only paid to 'super-sparse' authorities.
- **1.15.** The Pre-Damping 2012 Exemplification showed 163 authorities (including 16 Fire and Rescue Authorities). 94 authorities (including 5 Fire and Rescue Authorities) receive RSDG.

#### Where are we now?

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- **2.1.** The starting point must be to compare the £85M RSDG to both the exemplified pre and post -damped figures. Of course, what we are really interested in is the position as it applies to our SPARSE-Rural membership. The picture is a bit confused because of various mergers/re-organisations which have happened between 2012 and 2021.
- 2.2. Due to the point raised in paragraph 1.8 about 'on average' we must do this for each authority type but also, we need to consider the impact on any individual authority. In- short the question is "are any of our members getting almost as much, or more, in RSDG than the exemplified figures. Details are set out in the following Table 3. It will be noted that some authorities were exemplified to gain after damping whilst they were not pre-damping!!!

Table 3

Authority Type	Number Getting RSDG	Exemplified Amount Pre- Damping (Number Involved)	Exemplified Amount Post- Damping (Number Involved)	RSDG 2021/22
	SPARSE	-RURAL Membe	· -	2111
County Councils Unitary Councils		£76,520 (16) £40,282 (11)	£13,803 (14) £8,986 (9)	36,345 21,951
District/Borough Councils		£49,671 (71)	£16,664 (71)	15,909
Fire & Rescue Authorities		£1,547 (5)	£609 (4)	450
	RSN As	sembly Member	s	
County Councils		£14,657 (4)	£1,334 (2)	2,521
Unitary Councils		£156 (1)	£0 (0)	
District/Borough Councils		£512	£1,204 (7)	56

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Fire & Rescue Authorities			
Non-SPARSE-Rural/ RSN Members	59,832	23,607	7,767
Total (All Authority Types)	243,177	66,207	85,000

**2.3.** The above can be summarised as shown in **Table 4** below.

Table 4

Authority	Membership	Pre-Damp	Post-Damp	RSDG
Type	Status	Exemplification	Exemplification	2021/22
County	Members	76,520	13,803	36,345
Council				
Unitary	Members	40,282	8,986	21,951
District	Members	56,389	18,923	15,909
Fire	Members	1,547	609	450
County	Assembly	14,657	1,334	2,521
Council				
Unitary	Assembly	156		
District	Assembly	512	1,204	56
Non-N	Members	65,737	23,607	7,767
Total		255M	68,466	85,000

**2.4.** At this point I should comment that RSDG was to be removed in the Fair Funding Proposals and subsumed into the overall formula for distribution purposes. No doubt that MHCLG will seek to do that, whatever the shape and content of any new formula.

# What should we be arguing for going forward? How strong is the case?

**3.1.** The starting point must be to compare the £85M RSDG to both the exemplified pre and post -damped figures. Of course, what we are really interested in is the

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- position as it applies to our SPARSE-Rural membership. The picture is a bit confused because of various mergers/re-organisations which have happened between 2012 and 2021.
- **3.2.** As can be seen from **Table 4** above more RSDG in total has been received than the 2012 post damping exemplification. County and Unitary authorities have received substantially more whilst Districts and Fire have received very marginally less.
- **3.3.** The only case we have is therefore about the pre-damped position as exemplified.
- **3.4.** We must remember that, on average, 25% of the exemplified benefit was received. Of course, we are only interested in the position in respect of our members, but the case has to be about the exemplification v RSDG as a whole. So, we can argue that £97.383M is still due in total of which £45.318M relates to our members.
- 3.5. In paragraph 3.11 above I set out the Rural Fair position statement of 2015. In effect it reduced the pre-damped benefit by about 18% as an adjustment made for the scale of government grant reductions overall since that time. Therefore, we are talking about circa £49M being due to our members after RSDG.
- **3.6.** We are unable to calculate what the impact of all 2012 damping across the whole formula being 'unwound'.
- **3.7.** Just looking at the pre-damped 2012 changes two of our County Council members are receiving more in RSDG than exemplified (Cumbria by £54,000 and North Yorkshire by £1,049,000.

#### Conclusion

In my view we should not change tack on this issue but should not be seeking to press the case more strongly.

Graham Biggs MBE Chief Executive

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#### **Rural Services Network**

#### Remoteness

- 1. Changes are proposed in the Fair Funding Review to the way that rural authorities are funded. The sparsity indicator which is used across the current funding formula will be replaced by three separate indicators:
  - Dispersal based on the journey times to "hub" towns (population >10,000).
     Reflects the additional cost in terms of employee time and therefore paybill of longer journeys between households when delivering services such as waste collection
  - Traversal based on the journey times between "hub" towns (population >10,000).
     Reflects the additional cost in terms of employee time and therefore paybill of longer journeys to reach households in order to provide services such as child protection visits
  - Remoteness based on journey times to major cities.
- 2. These indicators will be included within the Area Cost Adjustment (ACA), which compensates local authorities for higher unit costs caused by higher labour and property (rates costs). A paper was presented at the Needs and Redistribution Working Group in June 2019:
  - https://www.local.gov.uk/sites/default/files/documents/business%20rates%20hub%20-%20Needs%20and%20redistribution%20working%20group%2025%20June%202019%20-%20Area%20Cost%20Adjustment.pdf
- 3. Officials within Ministry of Housing, Communities and Local Government (MHCLG) are confident about the modelling and evidence to support both the dispersal and traversal indicators. They are using the Department for Transport's (DfT) travel time data set to estimate travel times within each local authority. Those travel times are then weighted using ...
  - **Traversal**. MHCLG-commissioned journey times from Lower Super Output Areas (400 to 1,200 households) to the closest Lower Super Output Areas (LSOA) in an area totalling 10,000 people. The centre of LSOAs is determined by the ONS using population weights.
  - **Dispersal**. DfT Journey Times from Output Areas (average 129 households) to the closest "hub town" (settlement of over 10,000 people). The centre of each "hub town" is the centre of an Area of Town Centre Activity (ACTA) or a selected school or shop in a settlement without an ACTA.

4. There is less confidence about the "remoteness" indicator, both in terms of whether the indicator is conceptually justified and how to measure its impact on local authority costs.

#### The "Remoteness" indicator

- 5. The "remoteness" indicator functions as a proxy to account for separation from larger concentrations of service users. Economic theory suggests that outside of larger service markets, fewer providers can sustainably operate, reducing competition and increasing the cost of procuring specialised goods and services such as social care beds for local authorities. The cost of "in house" services will also be higher due to lower economies of scale.
- 6. Major towns and cities are areas identified by the ONS as Built Up Areas (more than 75,000 residents). These are contingent areas of high density development, also used by Defra to define Urban/Rural Classifications.
- 7. In the working paper, weights for each of the elements within the ACA (staffing, premises, remoteness, unallocated) were set using data from the RO and SAR returns. In its first iteration, the weighting for remoteness was set at 8% (compared to 33% for labour costs, 10% for premises and 48% unallocated). The weightings for each service are shown in **Table 1**. The different splits reflect the different composition of labour, premises and other costs.
- 8. MHCLG also explored whether remoteness should have a higher weighting. It was suggested that contracted-out services "are potentially more affected by remoteness than other areas". Proposed weightings were increased substantially (see revised weightings in **Table 1**):

Table 1 – Weightings for remoteness used in ACA formula

	Remoteness weighting	Remoteness weighting (revised)
Adult social care	2.6%	14.4%
Children's services	2.0%	10.9%
Foundation formula - lower tier	5.3%	8.4%
Foundation formula - upper tier	6.4%	9.5%
Highways maintenance	6.1%	10.1%

9. Based on the SAR data, these are the individual subjective expenditure types that have been identified as having a link to remoteness. These are the subjective expenditure types on which more evidence is required.

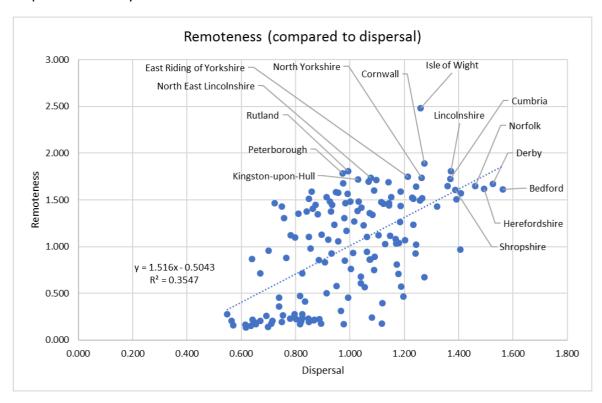
Table 2 – Subjective expenditure types weighted by "remoteness"

SAR Line	Weight decision	Rationale
TRANSPORT EXPENSES		
30 Direct Transport Costs - Vehicle Running Costs, Repair & Maintenance	Remoteness	Variation in journey times proxied by remoteness
32 Contract Hire and Operating Leases	Remoteness	Variation in journey times proxied by remoteness
33 Car Allowances for Travelling Expenses	Remoteness	Variation in journey times proxied by remoteness
34 Public Transport Allowances for Travelling Expenses	Remoteness	Variation in journey times proxied by remoteness
35 Transport Insurance	Remoteness	Will reflect costs for other transport activities, as premiums correlate with replacement values
36 Other Transport Related Expenditure	Remoteness	No detailed guidance so follow rest of category.
SUPPLIES & SERVICES EXPENDITURI		
38 Equipment, Furniture & Materials	Remoteness	Cost variation may arise due to (lack of) economies of scale in provider markets
39 Catering	Split	Will reflect the breakdown of other costs between the LCA, RCA and Remoteness
40 Clothing, Uniforms & Laundry	Split	Will reflect the breakdown of other costs between the LCA, RCA and Remoteness
56 Private Contractors and Other Agencies – Professional Services	Split	Will reflect the breakdown of other costs between the LCA, RCA and Remoteness

#### Impact of "remoteness" indicator

- 10. The local authority with the highest level of remoteness is Isle of Wight, largely because it is an island (all services from outside the island involve ferry travel). It's "remoteness" score is much higher than next group of authorities (score of 2.480 compared to 1.6-1.9).
- 11. The next most remote fall into two groups:
  - Remote and dispersed (sparse) (for instance, North Yorkshire, Cornwall).
     Mostly rural, as wewould expect, but some are more urban (Bedford, Derby).
  - Remote with low dispersal (sparsity) (for instance, Peterborough, Rutland, Hull). Some urban, some characterised as rural).

12. There is a moderately strong relationship between remoteness and dispersal for upper tier authorities (**Chart 1**). Most authorities identified here, with the highest "remoteness" scores, are rural counties or unitaries. Some, however, are more urban authorities with low dispersal scores (Hull, Peterborough) or, in some cases, high dispersal scores (Bedford, Derby). Some of these urban cities and towns might be surprised that they are characterised as remote.



#### **Further research**

- 13. The purpose of this research is twofold: to demonstrate that there are market weaknesses in remote areas that constrain delivery of services and/ or increase unit costs; and to indicate the additional costs that remote authorities are incurring as a result. It should be noted that remoteness will not always result in higher expenditure because authorities will have cash-limited budgets but will result in higher unit costs.
- 14. Our objective is to gather evidence from remote authorities to support the continued inclusion and weighting of the "remoteness" indicator in the ACA. This paper provides context to the research and outlines the types of information we would be interested in.
- 15. We have contacted a range of upper tier and district councils:
  - Highest score: Isle of Wight Council.
  - Remote and dispersed (rural). North Yorkshire, Cornwall, East Riding of Yorkshire, Devon, Cumbria; plus district councils in Devon, Cumbria and North Yorkshire; all NY.
  - Remote authorities low dispersal score but rural characteristics: Rutland.
  - Remote authorities with urban characteristics: Derby, Peterborough.

- 16. These are the general questions that we have asked the authorities:
  - Are there any services purchased from third parties outside the local authority area because there is no supply within your authority? Are the costs higher as a result?
  - Are there any services where you are aware of constraints in the market place, e.g. supply, cost, distance? Are the costs higher as a result?
  - Are there any procurements or services where it has not proved possible to obtain bids from suppliers (or insufficient number of suppliers for a competitive procurement process)?
  - Are there any specific geographic supply constraints that can add to costs, e.g. transporting by ferry, distance, difficulty of delivery?
  - Have any suppliers become dominant within your area, and has this had an impact on competition and prices?
  - Do you have particular difficulties in procuring any of the services that are outlined in Table 2?
  - Has your authority taken any steps to address market failure/ weakness, such as setting up own in-house provision, investment in facilities, or different procurement regimes?
- 17. **Table 2** can be used as a guide but we are open to data and evidence from any service type.
- 18. We will build up a range of case studies, including:
  - Commercial strategy to "develop a mixed market of suppliers that maximises competition and performance"
  - Specialist care homes.
  - Number of suppliers (competition, market dominance).
- 19. The questionnaire will be sent to finance officers within an authority but it would be helpful if procurement officers could be included in the response.

Adrian Jenkins

Pixel Financial Management

18 February 2021

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## THE 'SKILLS FOR JOBS' WHITE PAPER THROUGH A RURAL LENS

February 2021

# **INTRODUCTION**

The White Paper's full title is Skills for Jobs: lifelong learning for opportunity and growth. It was published on 21st January 2021.

'Rural' does not appear to be mentioned anywhere in the document. Nor are land-based colleges specifically discussed. Like many other Government statements and strategies, you are left wondering **how much of the funding/opportunities will really come into rural areas and benefit rural communities?** Will rural proofing **before** the setting of policy details and budget allocations actually take place?

The devil will be in the detail and at the RSN we will be closely monitoring these issues and making representations where necessary. This in line with our Revitalising Rural – Realising the Vision ambitions.

In our review of the Chancellor of the Exchequer's Plan for Jobs (2020), which sought to sustain a recovery from the pandemic, we called for a more nuanced to the package of measures. Otherwise, the measures would fail properly to address the circumstances found in rural areas.

For now, we set out what we think, on first examination, are the key take outs from the White Paper and some brief RSN comments.

Generally, we do not repeat issues already referred to in our review of the Spending Review 2020, though do so where appropriate to the significance of the issues concerned. We only review specific proposals rather than the (often repeated throughout and across the document) generalised statements etc. From the Introduction we only include selected statements about the White Paper's rationale. Proposals where we see no specific rural elements have been left out for brevity – although all these points have relevance to the whole country. We start off by listing the main topics covered by the White Paper.

It is likely that further detail about specific measures and how they will be delivered will be set out in later documents.



# Key areas in the SKILLS FOR JOBS WHITE PAPER and Rural Services Network comments

(L	Skills for Jobs statements using the Government's headings and words)	RSN initial comments
Key topics covered by the White Paper and its rationale	Chapter 1: Putting employers at the heart of post- 16 skills  Chapter 2: Providing the advanced technical and higher technical skills the nation needs  Chapter 3: A Flexible Lifetime Skills Guarantee  Chapter 4: Responsive providers, supported by more effective accountability and funding  Chapter 5: Supporting outstanding teaching  The introduction to the White Papers makes the overarching case for change in the following terms:	The broad policy direction of the White Paper is helpful, but how it gets implemented will be key from a rural perspective. It is notable that issues concerning local access to skills training do not really feature within the proposed White Paper approach. Indeed, it could be said to overlook geographic variation. Whilst delivery organisations and partnerships will doubtless seek to manage variation in due course, policies still need to be designed at the national level in ways which suit rural needs and circumstances.  Previous work has shown that issues with further education provision for many rural residents include: physical access to (or
	Our skills system has been very efficient at producing graduates but has been less able to help people get the quality technical skills that employers want.	distance from) colleges; limited choice in terms of accessing colleges and courses; and the costs associated with travel to colleges.
	There are currently significant skills gaps at higher technical levels. We do not have enough technicians, engineers or health and social care professionals to meet the many vital challenges we face, from building our green economy to meeting the health	





Chapter 1: Putting employers at the heart of	Give employers a central role working with further education colleges, other providers and local stakeholders to develop new Local Skills Improvement Plans which shape technical skills provision so that it meets local labour market	This process should include rural-based employers, including SMEs, and must not be left solely to large, well-known urban-based employers. All those involved, though, will
	It adds that: We are building on our successful apprenticeship reforms, where a focus on employer needs and standards transformed apprenticeships from a second-rate option to a prestigious choice.	
	In addition to the problems that individual providers face, there is no mechanism to understand and address the gaps that local areas face in skills provision. Employers and providers do not always work together to agree what skills are needed to meet local labour market demands.	
	Current funding rules encourage providers to put on cheaper and lower-value courses which can be filled easily. Ringfenced funding and excessive bureaucracy also stop colleges and providers from being as responsive and flexible as they would like.	
	and care needs of our ageing population. Across a range of sectors, there is growing employer demand for the skills that higher technical education provides. Investing in these skills at both a local and a national level is critical to improving our productivity and international competitiveness.	





	I	
post-16 skills	skills needs.	need a sufficiently broad perspective of labour market needs across different types of areas.
	<ul> <li>Pilot Local Skills Improvement Plans in Trailblazer local areas, exploring an approach where they are led by accredited Chambers of Commerce and other business representative organisations in collaboration with local providers; and engage employer and provider groups to ensure we create the most effective models of employer representation before wider rollout.</li> </ul>	It is important that some rural areas are included among the pilot Trailblazer local areas, so the approach can be tested and early lessons learnt in a rural environment. Not least, as the approach builds on the largely urban experience of Mayoral Combined Authorities and of LEPs (which have a mixed record on rural delivery).
	<ul> <li>Make Strategic Development Funding available in 2021/22 in a number of pilot areas to support colleges to reshape their provision to address local priorities that have been agreed with local employers.</li> </ul>	As above. This funding must reach some rural areas and support provision that has been shaped by rural (as well as urban) employers.
	<ul> <li>Align the substantial majority of post-16 technical and higher technical education and training to employer-led standards set by the Institute for Apprenticeships and Technical Education, so skills provision meets skills need.</li> </ul>	The Institute for Apprenticeships and Technical Education must be alive to the skill needs of particular rural-based businesses, including SMEs, the self-employed and those in the land-based sector.
	<ul> <li>Continue to improve and grow apprenticeships, so more employers and individuals can benefit from them as part of the Lifetime Skills Guarantee. Improve the quality of traineeships, to better support young people to transition to apprenticeships and other occupations.</li> </ul>	It is welcome that plans are afoot to try and improve the transfer of funding raised through the Apprenticeship Levy so it benefits SMEs. Rural economies are dominated by SMEs (with many being micro-businesses).





	<ul> <li>Invite proposals through the Strategic Development Fund to establish College Business Centres within further education colleges to work with employers in a designated sector on business development and innovation.</li> </ul>	Specific effort should be made to encourage a good number of rural-based FE institutions to establish College Business Centres, not least because many rural students only have (at best) reasonable travel options to one college.
Chapter 2: Providing the advanced technical and higher technical skills the nation needs	<ul> <li>Use the new £2.5 billion National Skills Fund to enhance the funding to support adults to upskill and reskill. This will include an offer, backed by £95 million in 2021-22, for all adults to achieve their first full advanced (level 3) qualification as part of the Lifetime Skills Guarantee.</li> <li>Continue to roll out T Levels, to prepare students for entry into skilled employment or higher levels of technical study, including apprenticeships.</li> <li>Create clear progression routes for students towards the higher-level technical qualifications that employers need.</li> </ul>	This would be a welcome move, though more information will be needed how the funding is to be allocated or drawn down to ensure that there is a fair geographic distribution.  Again, this would be a welcome move. The wider roll out should be used to ensure T levels become widely available to rural students.  Whilst welcome in principle, the rural dimension will need careful development. Creating progression routes is likely to prove more challenging in areas where the choice of colleges and training institutions is limited.
Chapter 3: A Flexible Lifetime Skills Guarantee	Note: The Lifetime Skills Guarantee for those aged 18 or over was announced earlier in September 2020 by Government. The White Paper focusses on measures for its implementation.  • Implement the flexible <b>Lifelong Loan Entitlement</b> to the equivalent of four years of post-18 education from 2025.	This is welcome. The key rural issue will be how easy it is to use, given issues for some of access to and choice of post-18 education.



	<ul> <li>As a pathway towards the Lifelong Loan Entitlement, we will stimulate the provision of high-quality higher technical education (levels 4 and 5), as we work towards making it as easy to get a student finance loan for an approved Higher Technical Qualification as it is for a full-length degree.</li> <li>Introduce pilots to stimulate higher technical education and incentivise more flexible and modular provision.</li> <li>Improve how teaching is delivered so that it is more accessible, with the use of digital and blended learning.</li> </ul>	As the Lifelong Loan Entitlement is introduced Government should measure and monitor how far it is stimulating a range of higher technical education opportunities that are accessible to residents from rural areas across the country.  These pilots should include some rural areas so the approach can be tested in them and early lessons learnt.  Continuing issues with digital connectivity in rural areas need to be addressed as a matter of urgency. One in six rural premises cannot yet access a superfast broadband connection.
Chapter 4: Responsive providers, supported by more effective accountability and funding	<ul> <li>We will consult on the following proposals to reform our funding and accountability system:</li> <li>Simplification and streamlining of funding for further education to support high-value provision relevant to the labour market, with elements of simplified and streamlined funding to be tested ahead of consultation.</li> <li>Give more certainty to providers over their funding, including considering how we could move to a multi-year funding regime.</li> <li>Reform our accountability approach, relaxing ringfences and reporting; instead focusing on outcomes.</li> <li>Introduce new accountability structures to underpin the delivery of Local Skills Improvement Plans.</li> </ul>	No details of the proposals are yet available. However, the intention to simplify the current funding system is welcome. Any new funding system must ensure fair geographic allocation so students and trainees benefit from similar opportunities wherever they live. Development funding may need targeting at some rural areas to enhance provision and its accessibility. This should take account of extra costs providers face in sparsely populated areas e.g., lost economies of scale / smaller classes.





	We will continue to <b>invest in the college estate</b> , to transform facilities and enable high-quality provision.	Investment in college estates should seek to benefit all types of colleges – larger and smaller – and hence their students. It should avoid the trap of focussing on larger colleges just to hit target numbers.
Chapter 5: Supporting outstanding teaching	<ul> <li>Launch a national recruitment campaign for teachers in further education settings.</li> <li>Improve the provision of high-quality professional development and support progression for teachers.</li> <li>Support apprenticeships teachers and lecturers with a tailored professional development offer.</li> <li>Introduce comprehensive workforce data collection.</li> </ul>	Professional development opportunities must be delivered in ways which are accessible for rural-based teachers, including apprenticeship teachers. This could include outreach provision (e.g., at rural town facilities) and making more content available online.  Workforce data collection is welcome. That data should be geographically tagged and disaggregated, so localised shortages can be identified and addressed. It would also help if national statistics reported using the ONS/Defra rural-urban definition, to test whether any workforce issues are different in rural areas.
Not covered by the White Paper	n/a	Students aged 17 and 18 should be entitled to statutory free travel to schools and colleges,





matching the current entitlement up to age 16 and those aged 17+ in London. This should be fully funded by Government.

More effort should go into making training course content accessible to rural residents e.g., using online or outreach provision.

Careers advice has been improving and is vital to boost the aspirations, not least of young people in rural areas, and to help them navigate career pathways. More needs doing to ensure that careers advisers understand opportunities in the land-based sector.

The Government needs to ensure that its skills proposals are joined up with other recent policy announcements. There are many skills needs in and opportunities for rural areas relating to the net zero agenda (as indicated by the Ten Point Plan for a Green Industrial Revolution).

Drafted: BW, 07/02/21



# HOUSE OF COMMONS LONDON SW1A 0AA

Matt Warman MP
Minister for Digital Infrastructure
Parliamentary Under Secretary of State
Department for Digital, Culture, Media and Sport

25th January 2021

Dear Matt

## Delivering broadband to hard to reach rural areas

The APPG for Rural Services was very grateful for your time when we met on 3<sup>rd</sup> November, 2020 to discuss Digital Connectivity. Your candid contribution to our discussion left us feeling reasonably optimistic about the future roll out of gigabit capable broadband to rural areas over the next 4 years. That was, of course, before the Spending Review.

The Spending Review decision to allocate just £1.2bn over the next fours years while still referencing the original £5bn has left us quite confused.

I was further dismayed to read recently the following summary conclusion from the recent report by the Public Accounts Committee "Improving Broadband":

"After we took oral evidence from the Department on 9th November 2020, we felt it was clear that Government's 2019 election pledge to deliver nationwide gigabit (1000Mbps) broadband connectivity by 2025 was unachievable. Since then, the government has accepted that. On 25th November it published, alongside the November 2020 Spending Review, a revised target of at least 85% by 2025 but will seek to accelerate rollout to get as close to 100% as possible and has committed less than a quarter of the £5 billion funding needed for the Department's programme to support roll-out to the hardest to reach 20% of premises. This is still a challenging target and increases the risk that the very hardest to reach premises will be struggling with slow broadband for many years to come. We are concerned that the Department has yet to make any meaningful progress in delivering the policy and legislative changes deemed essential by industry if it is to achieve rapid roll-out. It is still developing its £5 billion programme to subsidise roll-out to the hardest to reach 20% of the UK's 31 million premises and could not tell us when it intends to deliver major milestones, such as the letting of contracts. We are increasingly concerned that those in rural areas may have to pay more, and may reach gigabit broadband speeds late."

The APPG would be grateful if you could let us know as soon as possible what the current position is. If there are capacity issues, what are they and what action is the government, working with the sector, planning to take (and when) to address those issues?

Looking at the recent DCMS procurement plans, published on 22<sup>nd</sup> December 2020 for gigabit-capable broadband, our understanding is that there are effectively three levels to these procurement plans (over and above the already commercial roll-out in urban areas):

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- (a) Those peri-urban and accessible areas where much of the roll-out will be commercial, but some public subsidy will be on offer to contractors to ensure that the more isolated settlements/premises are reached (see map on page 20). Competitive bids are expected, albeit acknowledging that competition for these large areas may be restricted;
- (b) Those less accessible rural areas where roll-out contracts are likely to need substantial public sector funding (see map on page 21). This will aim to encourage and stimulate smaller telecoms providers to deliver in these areas. What if this does not achieve it's objective in some areas, or not until after 2025?
- (c) There are then vague references to regional contracts (paragraph 3 on page 10) to sweep up any remaining uncommercial settlements/premises that have lost out. The DCMS plan says only that they are "exploring" this idea. It is not clear to us if the areas that this would address are pockets within (a) and (b) above or areas at (b) that do not attract bids or something else.

Our assessment of this procurement plan does not change our understanding that the 2025 target has been downgraded, that a sizeable rump of rural premises will be left behind and these will be in the most uncommercial areas - so as an "outside-in approach" it is not going to meet its target, with some of the most hard-to-reach properties remaining unconnected.

We would welcome your comments on the above relating to the procurement plans.

As we interpret the present position:

- 1. Only 5% of uncommercial premises will receive a gigabit capable connection, leading to large areas of rural Britain (being uncommercial) not having access to a gigabit capable connection until well after 2025. Some areas may have to wait until 2029 or 2030.
- 2. The Government says that the new plan is due to the limited capacity of the infrastructure providers. However, it also wants to accelerate the rollout. It is hard to reconcile how deployment can be accelerated if capacity constraints are the limiting factor.
- 3. It has also said that the "outside-in approach" remains in place. This is simply not the case: if the commercial rollout is complete by 2025 but only 5% of uncommercial areas are connected, how can the outside-in approach be applied for the remaining 15%?
- 4. The Government's position appears regrettably confused and contradictory. If it wishes to accelerate deployment beyond 85% by 2025, it must allocate the remaining £3.8bn during the next Spending Review of 2022/25. Government and Industry also have a responsibility urgently to resolve the regulatory and capacity issues if the approach to outside-in is to be consistent.

Again, we would welcome your comments.



Finally, in respect of the USO as the MP for the Ludlow Constituency I recently received information from BT including the following statements (my bolding) upon which your comments would be appreciated:

"We are also introducing a cost-sharing system to make paying these costs more manageable if a constituent wants to progress a USO project. This will allow neighbours who are USO-eligible, and would collectively benefit from upgrading the infrastructure, to share the overall 'excess' costs to all be connected at once. We expect to launch this system shortly. As part of it, we will be inviting any constituent that receives an 'excess' quote under the USO to take part in a cost sharing scheme. We will also work with their local community to let them know about the opportunity and encourage them to become involved they are also eligible for support under the USO.

Despite this, we know that there will be some constituents, particularly in hard to reach rural areas, for whom the costs of getting better broadband under the USO are just too high. We estimate that to connect all the 'above-threshold' USO eligible premises across the UK to 'full fibre' would cost more than £1bn. The fact is that the USO was not designed to meet the challenges of connecting these very remote places. This needs urgent focus from industry, Government and Ofcom to find alternative, cost-effective solutions where existing approaches are unable to provide adequate support".

I would be grateful if you could comment on this approach to the problem from the leading contractor supposed to be delivering the USO policy.

I would appreciate a reply that I can circulate to members of the APPG. We would be pleased to host a further meeting with you to discuss your response.

With best regards

Philip

Rt Hon Philip Dunne MP Chairman, APPG for Rural Services



### HOUSE OF COMMONS

#### LONDON SW1A 0AA

Rt Hon Christopher Pincher MP Minister for Housing Department for Housing, Communities and Local Government 2 Marsham Street London SW1P 4DF

16th February 2021

#### Dear Chris

Thank you for attending the APPG for Rural Services meeting on 27<sup>th</sup> January. We very much appreciated the update on the Planning White Paper and your offer to continue to work with us as the Government develops its detailed proposals. In that vein I thought it might be helpful to expand on three matters that you offered to consider further in light of our discussion.

<u>First</u>, you acknowledged our concern that the Planning White Paper made no mention of rural exception sites. These remain an important route for delivering affordable housing, particularly in smaller rural communities, where local landowners can be willing to make land available for local need without holding out for the highest price from developers of open market housing. It was reassuring to hear from you that it was the Government's intention to retain rural exception sites and officials will be working on a guidance note to encourage greater take up of this approach. In drafting this note your civil servants may find it helpful to draw on three existing guides that set out the process for developing rural exception sites and how landowners, community groups and Parish Councils can become involved.

However, the principal route for providing rural affordable housing is through small market led developments. For this reason, we raised with you our considerable concern that this route may be closed as a consequence of raising the site threshold that triggers an affordable housing contribution, without an effective and robust rural exemption.

Since the affordable housing thresholds were raised in 2014, rural interests have evidenced the negative impact this has on rural affordable housing delivery. For example, 60% (29) of local authorities who responded to a Rural Services Network's (RSN) survey in 2019 identified that the delivery of rural affordable housing had been reduced since the 10-dwelling threshold was introduced in 2014. Even more starkly are the findings of the RSN survey undertaken in September 2020. 78% (23) of local authorities reported that raising the threshold to 40 dwellings would result in a loss of rural affordable housing in their existing pipelines in their communities of 3,000 or fewer population. This rose to 89% (26) in larger rural communities.

It is welcome that the Government has gone some way to address these concerns by providing that in designated rural areas local authorities can set a threshold of five dwellings or fewer. However, as we pointed out, the choice of the S157 Right to Buy clauses of the 1985 Housing Act to define these rural areas means that 70% of parishes of 3,000 or fewer population cannot benefit from this exemption.

We would therefore propose that this could be resolved by <u>secondly</u> adopting a simple rural definition to include all parishes of 3,000 population or fewer and all parishes in National Parks and Areas of Outstanding Natural Beauty. It is easily understood and widely accepted as parish council boundaries are formally defined, it is efficient to apply and most importantly provides consistent coverage across England. This definition could then be used for other rural exemptions, including that from First Home Exception Sites. We feel that Defra would be likely to be supportive of this approach.

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<u>Third</u>, we suggest that within these designated rural areas local authorities are permitted to set their own site thresholds with the affordable housing being provided on site, but with provision that in exceptional circumstances the contribution can be taken in the form of a financial sum. As has always been the case site specific negotiations can take place to ensure financial viability of a development. This approach was used successfully under Circular 6/98, but our proposal would provide a clearer and more consistent definition of 'rural area'.

From the evidence we have received we are convinced that these changes would address the shortage of affordable housing in smaller rural communities where currently only 8% of housing is in the social housing sector and affordability ratios are higher than in urban areas - excluding some parts of London. We also know that this measure would benefit SME builders. During the 2008 recession, these developers continued to build in rural areas because housing associations bought the affordable homes, guaranteeing small developers an income that supported cash flow, kept the site under construction, contractors working and promoting future market housing. Their opportunities to develop in the future will however be constrained by their inability to compete in purchasing sites because removing affordable housing requirements will lead to higher land values.

The provision of rural affordable housing is a keystone to maintaining thriving rural communities and economies. Its successful delivery requires that as policy is developed it takes account of the particular circumstances that exist in rural areas. Our suggestions respond to these and their adoption would show the Government, from an affordable housing respective, is listening and is committed to delivering its Levelling Up agenda in rural areas, providing homes in places people want to live and at prices they can afford.

I would of course be very happy to discuss this with you further if that would be helpful.

With kind regards

Rt Hon Philip Dunne MP Chairman, APPG for Rural Services

# Embargoed until: 00.01 on Monday 22 February 2020

# Spokespeople available for interview

# Chancellor must do more to tackle rampant rural disadvantage, campaigners urge

- New economic research reveals government spending per person on public infrastructure is 44% higher for urban areas than it is for rural areas.
- Rural Services Network, Britain's Leading Edge, CPRE, the countryside charity and English Rural are calling on the Chancellor to use the upcoming Budget to level up against rural disadvantage.

There is a long way to go until rural communities see their fair share of investment as new economic research reveals government spending per person on public infrastructure is 44% higher for urban areas than it is for rural areas that include no major cities. The report, *Towards a greener Green Book process*, produced by Pragmatix Advisory and jointly commissioned by Rural Services Network, Britain's Leading Edge, CPRE, the countryside charity and English Rural exposes how rural communities are poorly served by government's mechanisms for allocating public funds.

Ahead of the Budget and multi-year Spending Review, rural campaigners are calling on the Chancellor to level up against rural disadvantage with a more strategic approach to the Green Book process that rebalances the way the government meets the needs of countryside communities.

Rural communities are reaching a breaking point - for decades facing inadequate investment in essential public services like transport, affordable housing and measures aimed at economic growth. For every 100,00 people, 36% more affordable homes are built in towns and cities compared to rural areas.

# Commenting on the findings, Crispin Truman, chief executive of CPRE, the countryside charity, said:

'For too long, rural communities have been left out in the cold when it comes to government funding. With more people than ever before looking to our wonderful countryside as a place to live, raise families and visit, it is crucial the government rebalances this without delay. Levelling up against rampant rural disadvantage and unfair funding allocation is a defining challenge of our time.

'Recent decades demonstrate the impacts of underfunding: little to no reliable rural public transport, poor internet connectivity and a rural housing crisis that is raging through our countryside.

'The Chancellor has a golden opportunity in the upcoming Budget to reverse this historic underfunding of our countryside communities. If the government is serious about its levelling up agenda, we must see a significant rise in investment

targeted at rural areas to ensure that people can thrive wherever they live: in countryside or city.'

# Graham Biggs, MBE Chief Executive of the Rural Services Network said:

'The RSN has long challenged the government on a number of policy areas that affect rural communities, stressing that rural areas should not be left behind in the government drive to level-up the different parts of the country. This report from Pragmatix Advisory is another demonstration of government process which – no doubt unintentionally – disadvantages rural areas, the communities which live in them and the business which operate from them or serve them. The November, 2020 Spending Review set out the main strategic elements of the UK Shared Prosperity Fund) including that 'a portion of the UKSPF 'will target places most in need across the UK, such as rural and coastal communities'. To achieve what the government says processes such as the Green Book clearly need to be rural proofed.'

### Martin Collett, Chief Executive of English Rural, said:

'The clear evidence emerging from this research tells those of us working with rural communities something we know all too well, that public investment and policy making favours urban solutions to rural problems. The views and needs of rural communities are overlooked because of urban bias decision making embedded across Whitehall.'

'Those involved in commissioning this and the earlier research 'Rural Recovery and Revitalisation', are calling on the government to think again about how to achieve the commitment to levelling-up, specifically by including rural disadvantage within future financial and policy making decisions.'

## Julian German, Leader of Cornwall Council (Britain's Leading Edge member)

'The evidence from this research supports Britain's Leading Edge analysis that there is presently a 'policy corridor' running across the centre of England, in which the government has concentrated its infrastructure and innovation investment; devolution deals; its relocation of public sector jobs; and core funding for essential local services.

We need to re-frame our view of rural areas, not as hinterlands to which benefits are hoped to trickle down, not as an afterthought when it comes to investment and opportunities, but as places to build resilient local economies and communities that contribute to the UK economy.'

Inadequate investment in essential public services like schooling has a crippling effect, where fewer students and greater heating and maintenance costs mean rural schools have higher fixed costs per pupil than in urban areas. The research lays bare the

challenges faced by rural communities who are confronted by a triple threat of higher costs, lower funding and greater need and disadvantage.

Urban and more populated areas all-too-often take priority over rural, but more people live in rural communities than in Greater London. Recent changes to the Treasury's guidance on how specific policies are appraised, the *Green Book*, have not addressed the problem. To 'level up' disadvantaged communities, including those that are rural, the rural campaigners are calling for a more strategic approach across government so a range of bespoke solutions can be considered together to meet the varied needs of, and remove the historic underfunding in, countryside communities. The research recommends that the government must:

- Make addressing rural disadvantage as important in its Levelling Up and Building Back Better Agenda as tackling deprivation in urban or other areas;
- Publish data on all growth investment at local authority level so that their levelling up agenda can be scrutinized and;
- Create a cross-government Taskforce led by a Cabinet Minister to drive delivery
  of the above recommendations and ensure a meaningful programme of change
  that levels up rural economies and unleashes their contribution to a carbon zero
  economy.

#### **ENDS**

# For further information, case studies or to interview a spokesperson, please contact:

Jonathan Jones, CPRE Media Relations Lead, 020 7981 2819/ 078 3529 1907

#### **Notes to editors**

#### About Towards a greener Green Book Process

**Towards a greener Green Book process** was researched and written by a team from Pragmatix Advisory, a strategy and economics research consultancy. The report was based on a literature review, an assessment of the Green Book guidance and its associated documents, including the recent update by the Treasury, and an analysis of official and other statistics. The work was led by Mark Pragnell, who has over 25 years' experience as a consultant economist including as managing director of CEBR and director of strategy and consultancy at Capital Economics.

Figures for government spending per person on public infrastructure have been calculated by Pragmatix Advisory using data from the Ministry of Housing, Communities and Local Government on local authority capital expenditure in England for 2019-2020.

Figures for affordable homes built per 100,000 people have been calculated by Pragmatix Advisory using data from the Ministry of Housing, Communities and Local

Government on new build dwelling completions for social or affordable tenure in England between 2016-17 and 2018-19.

### About CPRE, the countryside charity

CPRE is the countryside charity that campaigns to promote, enhance and protect the countryside for everyone's benefit, wherever they live. With a local CPRE in every county, we work with communities, businesses and government to find positive and lasting ways to help the countryside thrive - today and for generations to come. Founded in 1926, President: Emma Bridgewater, Patron: Her Majesty The Queen. <a href="https://www.cpre.org.uk">www.cpre.org.uk</a>

#### **About Rural Services Network**

RSN is the national champion for rural services, ensuring that people in rural areas have a strong voice. We are fighting for a fair deal for rural communities to maintain their social and economic viability for the benefit of the nation as a whole. rsnonline.org.uk

# **About English Rural**

English Rural is a Registered Social Landlord, established in 1991 to provide affordable homes in small villages for local people. Developments built by English Rural are community-led, meet local needs and help to maintain sustainable rural communities. It currently owns and manages around 1,300 affordable properties, spread amongst 130 UK villages, and has a development programme of over 250 additional homes. englishrural.org.uk

#### **About Britain's Leading Edge**

Britain's Leading Edge is a collaboration of rural upper-tier local authorities without major cities. We are reframing the story of the contribution that rural regions can make to a sustainable national economy. <a href="https://www.britainsleadingedge.org">www.britainsleadingedge.org</a>