

**AGENDA FOR SPARSE RURAL AND RURAL SERVICES NETWORK  
EXECUTIVE AND BOARD OF DIRECTORS OF THE RURAL SERVICES  
PARTNERSHIP LTD MEETING**

**Venue: No 63 Bayswater Road, London W2 3PH**

**Date: Monday 30<sup>th</sup> of September 2019**

**Time: 11.15am to 2.30pm**

Visitor information and a link to the map for the venue can be found below:

**[No 63 Bayswater Road Travel information](#)**

**1. Apologies for Absence**

**2. Notes from the 2018 AGM.** (Appendix A - See page 3)

Held on 12<sup>th</sup> November 2018 to consider any relevant updates.

**3. RSN Constitution.** (Appendix B - See page 7)

The AGM in 2018 agreed to consult on an amended version which took account of changes which had occurred since 2016. There appeared to be no concern from authorities and there was just the one representation which we have looked to deal with at 1.6 and 1.9 in the attached version. It is recommended that this version is approved by the Executive and goes forward to the 2019 AGM in December.

**4. Notes from the Previous Executive Meeting.** (Appendix C - See page 21)

Held on 20<sup>th</sup> May 2019 to consider any relevant updates – main issues discussed were:

- (a) Looking to increase membership. (Appendix D - See page 27)
- (b) Encouraging member authorities to sign up to the Call for a Rural Strategy. (Appendix D)
- (c) Fair Funding Review and 75% Business Rates Retention.
- (d) Rural Towns.
- (e) Spending Review Discussions about Rural Finance based Aspirations with the Chief Secretary to the Treasury and with other Rural Groups.

**5. Notes from the SPARSE Rural Special Interest Group meeting.** (Appendix E - See page 29) Held on the 24<sup>th</sup> of June 2019 to consider any relevant items.

**6. Notes from the Rural Economy Group meeting.** (Appendix F - See page 35)

Held on the 24<sup>th</sup> of June 2019 to consider any relevant items – main issues discussed were:

- (a) Presentation by F. Abiru (Department for Business, Energy & Industrial Strategy).
- (b) An Introduction to LISA analysis and evidence.

**7. Fairer Funding Review: Draft Paper from Pixel on “measuring success”.**

(Appendix G - See page 44) – for approval before consultation with SPARSE-Rural members.

**Providing a voice for rural communities and service providers**

David Inman, Director Kilworthy Park, Tavistock, Devon PL19 0BZ

Tel: 01822 813693

[www.rsnonline.org.uk](http://www.rsnonline.org.uk) email: [admin@sparse.gov.uk](mailto:admin@sparse.gov.uk) twitter: @rsnonline

**8. Discuss National Rural Conference.**

Rural Conference held on the 3<sup>rd</sup> and 4<sup>th</sup> of September - feedback and to consider any relevant items arising.

**9. Discuss upcoming AGM, Assembly, Rural Social Care & Health Group.**

Meeting will be held on the 2<sup>nd</sup> of December 2019.

- (a) Recommendations on the subscription levels – previously agreed as increasing by 2% for inflation.
- (b) Diary of events.
- (c) Programme from meetings.
- (d) Financial statement.

**10. Schedule of dates for RSN and Executive Meetings in 2020.** (Appendix H - See page 48)

**11. RSN Budget, 2019/20 and First Estimate 2020/21.** (Appendix I - See page 50)

To consider the attached papers.

- (a) Actual to end August 2019 and estimate 2020/21.

**12. Rural Strategy Campaign:**

- (a) Lords Select Committee Report on Rural Economy. RSN Draft Commentary on Government Response- for approval before circulation to members for comment and information attached (Appendix J - See page 57).
- (b) Proposed Regional Roadshows – update.
- (c) Engaging with RSN/RSP Members.

**13. Report on the Priorities of the Rural Services Network.** (Appendix K & L - See pages 79 & 81)

**14. Regional Meetings 2019 Update**

Date	Region	Town	Primary Topic being considered
28.06.19	North East	Durham County Council	Sustainable Communities
31.07.19	East Midlands/East Anglia	West Suffolk Council	Rural Health and Wellbeing
07.10.19	North West	Lancashire County Council	Delivering Local Services
09.12.19	Yorkshire & the Humber	Hambleton District Council	Barriers to Access – Connectivity and Rural Transport

**15. Any Other Business**

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## Note of last SPARSE Rural Special Interest Group meeting

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**Title:** Rural Services Network Special Interest Group

**AGM Meetings:**

- **SPARSE Rural Sub SIG**
- **Rural Services Partnership Limited**
- **Rural Services Network**

**Date:** Monday 12 November 2018

**Venue:** The Westminster Archives

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**Attendance**

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

Item	Decisions and actions
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<b>1</b>	<b>Appointment of Chairman for the ensuing year (to also be the Chair of the SPARSE-Rural sub-sig)</b>
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Nominations for the existing Chair to continue in her position were accepted without opposition.

Cecilia expressed her gratitude to SPARSE Members for their confidence in her position as Chairman and to the officers for all their efforts.

<b>2</b>	<b>Apologies for absence</b>
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The Chair noted apologies for the meeting as listed on the Appendix.

<b>3</b>	<b>Note of the Previous Meeting</b>
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The notes of the previous meeting were agreed.

<b>4</b>	<b>Appointment of Vice Chairmen for the ensuing year (to also be the Vice-Chairmen of the SPARSE-Rural sub-sig)</b>
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It was moved that, in addition to the existing members willing to continue in office, Cllr Mark Whittington, Lincolnshire County Council, and Councillor Jeremy Savage, South Norfolk Council, be appointed as Vice-Chairmen of SPARSE for the year. This was agreed by members.

The Chairman expressed her gratitude to Cllr Robert Heseltine for his support as First Vice-Chairman.

**5 IF DEEMED NECESSARY AND BENEFICIAL. To appoint a Chair and Vice Chair(s) of the RURAL ASSEMBLY SUB-SIG**

It was agreed that there would not be a separate Chair for the Rural Assembly Sub-Sig.

**6 CONSTITUTION: SUGGESTED CHANGES TO REFLECT EVENTS SINCE LAST REVIEWED SHOWN IN TRACKING (Attachment 2)**

Graham Biggs, Chief Executive of the Rural Services Network, introduced the attachment detailing suggested changes to the constitution.

Members agreed the suggested changes to the constitution subject to the ballot procedures currently in force in the constitution.

**7 NEXT MEETING: Next RSN AGM to be held on Monday 11th November 2019**

Members agreed to move the date of the next RSN AGM to be held on 18 November 2019, as the previous proposed date was on Armistice day.

**8 Minutes of the last full meeting – 9th April 2018**

The minutes of the last full meeting, 9 April 2018, were agreed.

**9 RURAL CRIME SURVEY 2018: Presentation by Julia Mulligan PCC North Yorkshire and Chair of the National Rural Crime Network**

Julia Mulligan, PCC North Yorkshire and Chair of the National Rural Crime Network, gave a presentation on the Rural Crime Survey for 2018. Julia explained they had 20,252 responses, including nearly 4 thousand business owners, and that 50 per cent of responders were aged 55-75. Key findings from the responses to the survey included:

- County lines had continued to be a growing issue in rural areas.
- That the perception of policing in rural areas had worsened in recent years, an 11 per cent drop in people who think the police are doing a good job in their rural community since the 2015 survey.
- That for the most part rural communities think that crime is worsening.
- The issue of fly tipping was also raised often.
- There was a significant sense that a lot of rural crime was organised.
- That the financial impact on rural residents has gone up by 13 per cent in recent years.
- The survey results also indicated rural communities feel they are not understood.

As a result of the Rural Crime Survey, the National Rural Crime Network has proposed a number of recommendations which Julia highlighted:

- It was evident more had to be done to understand rural crime and the impact.
- More work needs to be done to counter organised crime in rural areas.
- Additional help was needed for residents around crime prevention.

- The need to ensure victims of fly tipping are not left to pay the price of others actions. This was emphasised as a major issue, as the only crime where the victim has to pay for the clear up.

In the discussion that followed, the following points were raised;

- Views were expressed that policing in rural areas had been struggling in its interactions with traveller communities.
- It was highlighted that “county lines” was now designated as a national threat and that policing was starting to get to grips with the issue, in particular the importance of police forces sharing information was emphasised.
- A view was expressed that a further look into scams would be necessary.
- A concern was raised that the changing nature of crime had been taking more police officers off the streets and focusing on online crime.
- It was emphasised rural policing was at a disadvantage and that this needed to be addressed.

The Chair thanked Julia for her presentation – a copy of Julia’s slides is attached to these minutes.

#### **10 To approve (with or without amendment) the RSN Draft Rural Strategy Template(Presentation by Graham Biggs)**

Graham Biggs outlined the RSN Draft Rural Strategy Template (copy of slides attached to these minutes) that had been developed and asked the RSN AGM to approve and agree the draft subject to some changes to reflect the recent Budget.

In the discussion that followed, the following points were raised;

- The importance of parity in the availability of mental health services between rural and urban areas.
- Including mention of the ACRE network on page 59 of the strategy was suggested.
- The importance of affordable housing in rural areas was emphasised.
- A new Affordable Housing Commission chaired by Lord Best has been established with funding from the Nationwide Foundation.

The RSN AGM was very supportive and approved and adopted the RSN Draft Rural Strategy Template , with the inclusion, as appropriate, of suggestions from RSN AGM members.

#### **11 Membership (Constitutional Requirement)**

Members noted the membership report from David Inman, Corporate Director. He raised that the number of organisations in membership was decreasing.

Graham Biggs also raised that they were looking to engage in more commercial activities in response to the decrease in income coming from membership fees.

Members noted the update.

#### **12 Member Contributions**

Graham Biggs introduced this item as a recommendation from the RSN executive. He

brought Members' attention to the schedule attached to the report which set out the current charging level for current member authorities be increased by two per cent p.a. to reflect inflationary increases in costs. This would require rescinding the existing formula in paragraph 1.2.

The RSN AGM agreed and approved the Executive's recommendations for the level of member contributions from 2019/20 onwards.

### **13 Budget 2018/19 and 2019/20 (Constitutional Requirement)**

Members noted the current budget report and approved the estimates for 2019/20.

### **14 Rural Conference 2018**

Kerry Booth, Assistant Chief Executive, introduced the item on the Rural Conference 2018.

She highlighted the following information;

- Feedback had been broadly positive.
- Officers had started to plan the conference for next year.
- Officers were looking to replicate the exhibitors and sponsors that were achieved this year to assist with the cost of running the event.
- In response to a query Kerry informed the AGM that the negative feedback she had received was around poor lighting, poor heating and a preference for more breaks over the course of the day.

The RSN AGM noted the update from Kerry Booth.

### **15 Sounding Board Survey**

Kerry Booth introduced an update on the Sounding Board Survey on Access to Cash.

The survey had shown that there many concerns amongst rural residents in regards to having access to banks, ATMs and post offices and the impact of a lack of access to these services on smaller rural economies. Kerry emphasised that there continued to be real concerns for elderly and disabled rural residents. Responses were still being received and a report will be issued in due course.

The RSN AGM noted the update on the Sounding Board Survey.

### **16 Meeting Dates for 2019**

Members noted meeting dates for 2019. Subject to the change noted earlier in the meeting

### **17 Any Other Business**

Graham Biggs brought Members' attention to the review of designated landscapes.

There was no other business.



# THE RURAL SERVICES NETWORK (RSN) SPECIAL INTEREST GROUP of the Local Government Association

DRAFT November 2019  
Suggested changes in red

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## CONSTITUTION

### 1. Title and Membership

- 1.1 The Organisation shall be known as The Rural Services Network Special Interest Group [“the Group”].
  - 1.2 The Group shall be open to those **English** Authorities who are classified as **Mainly or Largely Rural or Urban with Significant Rural Area (all including hub towns)** by the Government and to previous members of the Rural Commission of the Local Government Association. **Other Principal Councils which have large rural areas within their boundaries may apply to become members and their applications will be treated on their merits.**
  - 1.3 The Group will consist of such Principal Councils and Fire and Rescue Services in England, as The Rural Services Network desire to be and remain in membership [“Member Authority”].
  - 1.4 The Group shall act in a non - political way concentrating on achieving consensus views on rural best practice and service interests.
  - 1.5 The Group meetings will not be preceded by political meetings.
  - 1.6 **Member authorities may be represented by a Councillor or Officer or both.**
  - 1.7 Those authorities who are eligible to become members of the Group as specified under 1.2 above may instead of becoming members elect to have a straight contractual relationship with the group that is based solely on service provision and is non- representational. Under such a relationship the group will enter into a service level agreement with the authority involved and provide financial monitoring, best practice, performance, community, rural and economic services available for a flat rate annual payment constituting 95% of the charge which would have been levied on the authority had it joined in the normal way. Authorities who elect to take this arrangement will not be formal members and will therefore not be entitled attend or vote at meetings of the Group and will not receive agendas and minutes or be involved in the representational work of the Group.
  - 1.8 Whilst all membership shall be with the Group, operationally much of the work of the Group will be through **three** sub groups; namely SPARSE Rural; The Rural Assembly; and The Rural Fire and Rescue Services Group
  - 1.9 **The Group shall have power to establish such Associate and Alliance arrangements including any necessary definitions as it considers to be appropriate to its and the general rural interest. Such arrangements shall however require the approval of an Executive meeting of the Group (see Section 9 below).**
- ### 2. Purpose of the Group
- 2.1 To be a voice for councils with a rural interest within the Local Government Association [LGA] and to influence appropriate work so that the views and rural interests of these councils are fully considered.

- 2.2 To research, promote and lobby for the rural interests of communities served by member authorities
- 2.3 To establish in as many work areas as is feasible collective working targeted to the benefit of individual member authorities and their communities including the sharing of best practice.

### 3. Objectives and Powers of the Group and ways of working

- 3.1 To provide forums in which member authorities can exchange views and initiate shared activities on issues of common interest/benefit, particularly relating to rural service delivery, rural policy generally and the rural economy.
- 3.2 To raise awareness of the contribution member authorities make to rural service and rural community issues.
- 3.3 To provide greater capacity for member authorities to contribute to and influence the national agenda by direct representation to government departments and other decision makers/**opinion formers**.
- 3.4 To represent, wherever possible by consensus, the interests of member authorities in national government, to Parliament, political parties, European and other international institutions and other bodies, and the LGA and other decision makers/**opinion formers**.
- 3.5 To organise collective working to achieve potential cost savings for member authorities
- 3.6 To formulate sound policies and practices in respect of rural issues particularly those relating to rural services and rural communities.
- 3.7 To promote the policies of the Group to national government and other relevant organisations.
- 3.8 To develop relationships with other the LGA Special Interest Groups, with its People and Places Board and with other appropriate Service Boards **as** may be established from time to time.
- 3.9 To do anything that is calculated to facilitate or is conducive or incidental to the discharge of the objectives of the Group.
- 3.10 To promote innovation and best practice in furtherance of the achievement of greater efficiencies across member authorities.
- 3.11 To work with other Service Providers and those interested in rural services (grouped together as The Rural Services Partnership Limited – **(RSP)**) and the Rural England Community Interest Company and with the RSN Community Group as a section of the umbrella partnership known as The Rural Services Network to represent rural services generally, facilitate best practice and create the strongest network possible in support of continuous improvement of services and well being in general in the rural areas of England.
- 3.12 **In addition to the formal sub groups referred to in 1.7 above the Group may from time to time at an Annual General Meeting decide to establish service specific or topic groups based on the Groups Priorities for Action. All members will be entitled to attend such meetings. In respect of such meetings, in addition to each member authority's normal representatives, the Portfolio Holders and Chief Officers (or their representatives) will be invited to attend.**
- 3.13 **Unless the group at an Annual Meeting decides to the contrary, each year a series of "Regional Meetings/Seminars" will be organised. Whilst all member authorities will be**

“allocated to a Region” their representatives will be able to attend in a different “region” if they prefer

. **Purpose of Sub Groups**

- 4.1 The Group will undertake its work through the operation of a series of Sub Groups
- 4.2 These Sub Groups shall be named SPARSE Rural, The Rural Assembly, The Rural Fire and Rescue Services Group.
- 4.3 The purposes of the Sub Groups shall be as follows-

A. SPARSE RURAL :

This sub group will represent the financial interests of Principal Councils classified as Predominantly Rural and those Significantly Rural authorities which stand to gain by the Group's financial representations.

To promote the financial interests of the most rural local government authorities and to make representations to Government and other relevant bodies on the allocation of funding to the most rural authorities and other publicly funded bodies serving their areas.

To establish comprehensive e networking to allow members to discuss in detail rural considerations relating to the range of service areas they provide and where appropriate for these networks to also involve community representatives and **non-local** authority service providers to allow service issues to be viewed holistically.

To seek to facilitate collective working across authorities with a view to achieving both maintenance of service and cutting of cost. This to include the financial and non- financial performance analysis and comparison services and service groupings provide through the service charge for this sub group

B. THE RURAL ASSEMBLY

To provide to all members appropriate information on rural matters generally.

To act as a conduit on rural issues between authorities with rural areas and those rural areas themselves with the LGA's People and Places Board and other appropriate Service Boards, with Parliament and Government Departments and with other organisations with a rural interest.

To allow a consensus view to be established on current issues between authorities with a rural interest so as best to inform the LGA's operational structures of the position relating to rural areas in England and Wales.

To facilitate discussions between rural authorities and other bodies with an interest in issues which affect rural areas/communities/businesses in England, Wales, Scotland and Northern Ireland with a view to establishing rural best practice and inter organisational learning.

To where possible assist in establishing a rural dimension to appropriate LGA conferences.

### C. THE RURAL FIRE AND RESCUE SERVICES GROUP

The group shall be open to representatives of the Rural Fire and Rescue Authorities and to Chief Fire Officers or their nominees.

To seek to achieve maximum linkage between the operation of Fire and Rescue Services in rural areas and the communities involved.

To seek to share operational experience and best practice established through providing services in rural areas

To argue the financial case relating to the additional costs of Fire and Rescue Services operation in areas classified as **Mainly Rural or to have Significant Rural areas**.

Address the Fire & Rescue Service issues which are unique or more prevalent in rural areas (retained fire **and rescue** service operation, rural vulnerability and disadvantage issues, open countryside fires and flooding and accidents involving classified roads are examples.)

## 5. The Annual Meeting

- 5.1 The Group will meet as an Annual Meeting to appoint the office holders.
- 5.2 The Annual Meeting shall meet towards the end of each calendar year to approve the accounts of the Group, agree the budget of the Group, to set the annual service charges and approve the work programme. Other meetings including where considered necessary Extraordinary Annual General Meetings will be held as required and the meetings shall deal with such other business as may be determined by the Executive.
- 5.3 The Annual Meeting may from time to time make standing orders for the regulation of the Group's proceedings.

## **6. Membership of Meetings and Sub Group Meetings**

- 6.1 The Meetings shall comprise the appointed representatives of the Member Authorities or Leaders of those authorities who have not made such an appointment. Elected members may be accompanied by an Officer of the Member Council if they so wish. Meetings of the Rural Services Network as a whole may follow on from Group Meetings and where necessary separate votes may be taken of the Rural Services Partnership's membership. Meetings of **service specific or topic groups as referred to in 3.10 above will meet prior to either SPARSE-Rural or Rural Assembly sub group meetings.**
- 6.2 The names of members appointed by member authorities to serve at meetings and any appointed substitute appointments shall be given to the Corporate Director in writing by the Chief Executive of their Member Authority (or other officer nominated to act on their behalf) as requested.
- 6.3 The period of office for members shall normally begin with effect from member authorities Annual Meetings in each year and shall end immediately before their Annual Meeting in the following year, provided that representatives shall cease to be eligible for membership when they cease to hold office as members of their authority or when their authority ceases to be in membership **of the group.**
- 6.4 Member Authorities may if they wish appoint different members to serve on different Sub Groups but one member must be named as the representative of the Council for the purposes of Annual Meetings of the Group.

## **7. Voting at Meetings**

- 7.1 Each Member Authority shall be entitled to cast one vote at all meetings on occasions when it is decided to proceed by vote and a decision is not reached by consensus (which will be usual practice).
- 7.2 In the case of an equality of votes the Chairman of the meeting shall have the casting vote.
- 7.3 A member may nominate another member being a currently serving member of any member Authority and attend a meeting on his or her behalf and exercise his or her vote(s) provided that written notice is given to the Director of the Group before the start of the meeting by the Chief Executive or other appropriate officer of the Member Authority or by the originally nominated member.

## **8. Office Holders**

- 8.1 The Annual Meeting of the Group shall in each year appoint from amongst the members representing Member Authorities the following office holders:

(a) A Chairman;

(b) Vice-Chairmen (The number of which shall be determined by the Annual Meeting making the appointment. One of the vice-chairmen shall be identified as First Vice-Chairman).

- 8.2 The Chairman and Vice-Chairmen of The Group shall to achieve continuity of overall operation also hold the same offices on the Executive and on the SPARSE Rural Sub Group.
- 8.3 The Rural Fire and Rescue Services Sub Group shall appoint their own Chair and Vice Chair.
- 8.3 Voting on all appointments shall be as follows:
- Where there are more than two persons nominated for each position, and of the votes given there is not a majority in favour of one person, the name of the person having the least number of votes shall be struck off the list and a fresh vote shall be taken and so on until a majority of votes is given in favour of one person.
- 8.4 The Chairmen (and in their absence Vice-Chairmen) will have the following responsibilities:
- (a) To promote The Group and Sub Groups as a whole;
  - (b) To uphold and promote the purposes of the Constitution and to interpret the Constitution where necessary;
  - (c) To preside over meetings so that its business can be carried out efficiently; and
  - (d) To ensure meetings are a forum for the debate of matters of common interest.
- 8.5 The Chairmen and Vice-Chairmen will hold office until:
- (a) The next Annual Meeting of The Group or in the case of the Rural Assembly the Rural Unitary Councils and the Rural Fire and Rescue Services Sub Groups the first meeting in any calendar year
  - (b) They resign from the office; or
  - (c) They are no longer a Councillor; or
  - (d) They are removed from office by resolution; **or**
  - (e) The member authority they represent ceases to be a member of the group**
- 8.6 In the event that a Chairman ceases to be the Chairman as a result of Article 8.5 (b), (c), (d) or (e) above the Group or Sub Group shall forthwith appoint a new Chairman and pending the appointment of a new Chairman all powers and functions of the Chairman shall be vested **respectively** in the First Vice-Chairman in relation to the Group and the SPARSE Rural Sub Groups and the Rural Assembly **sub group**, and **the Vice-Chairman of the Fire and Rescue Services** Sub Group.
- 8.7 The Chairman and Vice Chairman of the Fire **and Rescue** Sub Group shall be members of the Executive



## **9. The Executive**

- 9.1 There shall be an Executive whose purpose shall be to provide strategic direction and conduct the normal day to day business of the Group apart from work delegated to the Group's Officers.
- 9.2 The Annual Meeting shall determine the terms of reference, delegated powers, size and composition of the Executive and may, if felt necessary, make Standing Orders for the regulation of their proceedings.
- 9.3 The Executive will where appropriate meet together with the Board of Directors of the Rural Services Partnership Limited and up to 6 further nominees of their choice to achieve overall Rural Services Network purposes. Where **it is felt** necessary separate votes will be taken when formal decisions are required to be made by the Directors of the Rural Services Partnership Ltd.
- 9.4 The Chairman of the Group from time to time shall be Chairman of the Executive.
- 9.5 The Chairman and Vice-Chairmen of the Group may nominate another member being a currently nominated member of any member Authority to attend an Executive meeting on his or her behalf and exercise his or her vote(s) provided that written notice is given to the Director of the Group before the start of the meeting.

## **10. Responsibility for Action**

- 10.1 In matters of local government in general or which concern all member authorities of the Sub Groups, the Group and its Sub Groups will speak for all its member authorities. The Group and its Sub Groups, however, cannot commit their individual member authorities to any particular course of action or to support or not support any particular policy position.

## **11. Meetings of the Group, Sub Groups and Executive**

- 11.1 Meetings of the Group and Executive shall be held on such days and at such places as may be decided by the Executive.
- 11.2 The Corporate Director shall ensure:
  - (a) Not less than twenty-eight clear days before each ordinary meeting including Extra Ordinary Annual Meetings of the Group and not less than two months before the Annual Meeting there shall be posted on The Group's website, a notice stating the date, time and place of the meeting; and
  - (b) Not less than ten working days before the meeting send to each Member Authority by email or post an agenda specifying the business to be transacted.

**12. Nominated Officers and Staff**

- 12.1 There shall be a Chief Executive and a Corporate Director of the Group appointed on such terms and conditions as the Executive may think fit and such other staff as may be necessary for the purpose of implementing the Group's and the Sub Groups aims and objectives. These staff individually and collectively will support the working of the Group and the Sub Groups.
- 12.2 The Group and Sub Groups shall, where considered necessary, ask the Chief Executives of Member Authorities to provide advisors to support the work programme as necessary including financial and strategic service advisers.

**13. Finance**

- 13.1 The Executive shall submit for consideration to the Annual Meeting of the Group in each year a statement of estimated expenditure for the year commencing on the following first day of April. The Executive shall have delegated authority to vary the budget within the financial year as necessary – subject to report at the next Group meeting.
- 13.2 The service charges for each year commencing on the 1<sup>st</sup> of April shall be at rates to be determined from time to time by the Group and those rates shall vary across groups having consideration to the running costs involved.
- 13.3 The Chief Executive shall be responsible for the preparation of an Income and Expenditure Account involving the Rural Services Network Special Interest Group and the Rural Services Partnership Limited jointly, each year, for the preparation of Company Accounts by professional tax accountants and for the submission of those accounts to the Group.
- 13.4 The income and property of The Group shall be applied solely towards the promotion of the Group's objectives.
- 13.5 The Group may invest, lend, or otherwise deal with monies not immediately required for its purposes in such manner as may be thought fit by the Executive and may borrow or raise money in accordance with financial regulations agreed by the Annual Meeting.
- 13.6 The Group may purchase, take on lease or otherwise obtain land to provide accommodation for the use of staff provided that if land or buildings are leased from a Member Authority this shall be on a basis that the rent paid is no more than a reasonable and proper rent in the circumstances.
- 13.7 The Chief Executive and the Director, or in their absence another appointed officer shall be authorised to enter into and execute all instruments, deeds or assurances on behalf of the Group.

- 13.8 The cost of attendance, travel and subsistence in connection with meetings of the Group and Sub Groups shall be met by the member or officer's own authority. The Group itself will meet those costs in respect of members of the Executive attending Executive Meetings or otherwise representing the Group.

#### **14. Resignation of Member Authorities**

- 14.1 Any Member Authority wishing to terminate its membership shall give not less than twelve months' notice, in writing, to the Director to expire on 31 March in any year.
- 14.2 Any Member Authority shall, upon ceasing to be a member of the Group, forfeit all right to and claims upon the Group and its property and funds, and, without prejudice to Article 15, shall pay such amount representing the authority's share of responsibility towards liabilities incurred by the Group on behalf of member authorities, including payments due to contractors, during the currency of the authority's membership, such share to be calculated having regard to the proportion which the subscription paid by that authority bears to the total annual subscription of the Group from its members in total.

#### **15. Dissolution**

- 15.1 A motion for dissolution of the Group must be notified in advance as an agenda item for the Annual Meeting or an Extraordinary General Meeting.
- 15.2 A motion for dissolution shall require a formal majority of at least two-thirds of members present with at least two-thirds of such authorities represented at the meeting, or through a postal vote procedure authorised by an Annual Meeting decision under the procedures outlined in 16.1 below.
- 15.3 In the event that the Group's funds should prove to be insufficient to discharge its liabilities Member Authorities shall contribute such additional sum as is required collectively to eliminate the deficiency pro rata to the level of their subscription.
- 15.4 In the event of a dispute between a member or former member authority and the Group as to the amount which an authority should contribute under this rule the matter shall be referred to arbitration.
- 15.5 The arbitration shall be conducted in accordance with the Arbitration Rules of the Chartered Institute of Arbitrators and the Arbitrator shall be asked to determine the extent to which an authority or authorities should contribute and to determine the matter in accordance with what is fair in all the circumstances. In the event that the Arbitrator issues a determination providing that a member or former member Authority is liable to contribute a specified sum under this Rule the authority shall pay the monies which the Arbitrator determines it ought to pay within sixty days of the issue of the award. The Arbitrator shall be appointed by agreement of Chief Executive and Director or in default of such agreement by the President for the time being of the Law Society.

## 16. Amendment to the Constitution

16.1 The Annual Meeting (or an Extraordinary General Meeting convened for the purpose) shall have power to amend this Constitution:

(a) save that no amendments may be made to articles 13.4 or 14.1 and any purported amendments to those articles shall not be effective; and

(b) provided that a motion in favour of each such amendment shall be passed by at least two thirds of members present **and voting (in person or by Proxy)** and if necessary through the following additional procedure:

**If 10% of the members signify to the Corporate Director in writing prior to the meeting that they wish the amendment to be put to** a postal ballot of the membership. The amendment shall be carried if it receives the support of at least two thirds of the ballot papers returned.

## 17. Urgent Decisions

17.1 The Chairman in consultation with the First Vice-Chairman may take a decision which is a matter of urgency and is not delegated to the Officers. However, the decision may only be taken:

(i) if it is not practical to convene a quorate meeting of the Executive; and

(ii) if the Chairman of the Group agrees that the decision is a matter of urgency.

17.2 The reasons why it is not practical to convene a quorate meeting of the Executive and the consent of the Chairman to the decision being taken as a matter of urgency must be noted on the record of the decision. Following the decision, the Chairman will provide a full report to the next meeting of the Group or Executive explaining the decision, the reason for it and why the decision was treated as a matter of urgency.

**Minutes of the Rural Services Network Executive held on  
Monday 20<sup>th</sup> May 2019**

Venue: 63, Bayswater Road, London.

**Present:**

Cllr Cecilia Motley, Chair – RSN  
Cllr Jeremy Savage – South Norfolk Council  
Cllr Robert Heseltine - North Yorkshire County Council  
Cllr Peter Stevens - St Edmundsbury Borough Council  
Revd Richard Kirlew - Sherborne Deanery Rural Chaplaincy  
Anna Price, Director, Co-Founder – Rural Business Awards  
Cllr Peter Thornton – South Lakeland District Council  
Cllr Trevor Thorne- Northumberland Council

Officers: - Graham Biggs (Chief Executive); David Inman (Director)

**Apologies:**

Kerry Booth – RSN  
Cllr Rob Waltham – North Lincolnshire Council  
Cllr Mark Whittington – Lincolnshire County Council  
John Birtwistle – UK Bus  
Cllr Roger Phillips – Herefordshire Council

**2. Notes of Previous Meeting 14th Jan 2019.**

Agreed as an accurate minute  
Nothing Arising

**3. Notes of Main Meetings**

Rural Assembly 8th April 2019  
Social Care and Health Group 8th April 2019

Nothing Arising

**4. Notes of RSP Partner Group Meeting and RSP Vulnerability Group Meeting 9th April 2019**

These were new meetings constituted especially for RSP organisations. They had gone well, and the feedback had been good.

**5. Future Meetings**

To avoid a clash (especially in respect of the Health and Social Care meeting) with the CCN Conference it was decided the meetings planned for the 18th and (for RSP) 19th of November 2019 would be switched to the 2nd and 3rd of December respectively.

## **6. Membership of the Executive and the Impact of the Election.**

(A) As a result of resignations and the Election procedures etc there was now a vacancy for the South East and East area Vice Chairs. The matter would be considered by the AGM.

(B) As Member's AGMs took place if nominations altered thus affecting those serving on the Executive Group members would be updated.

(C) Martin Collett the Chief Executive of the English Rural Housing Association was interested in joining the Executive as a Director of the RSP. His CV was circulated, and he was formally voted onto the Group (subject to ratification at the RSP AGM).

(D) It was decided to write out:

- (a) to all new Leaders telling them about the Group and its work
- (b) to all newly elected members similarly

## **7. Fair Funding Review and 75 percent Business Rate Retention.**

A verbal report was made by Graham Biggs.

There was concern that this may be delayed because of the log jam arising from Brexit. However, that would present problems of its own because of the financial impact that would have in changing financial times.

It was known that in the meantime civil servants were continuing to undertake work on a changed system.

It was decided to seek to commission work from Adrian Jenkins of Pixel with a 'Where are we Now' paper. This would be particularly aimed at new members.

It was believed the Price Waterhouse report commissioned by the CCN would be out shortly. It would be shared with members of the Executive and would be presented to the Joint County APPG & Rural Fair Share Group on 10<sup>th</sup> June.

The Executive wondered if Member Authorities could try to encourage their MPs to come to this event.

## **8. Rural Towns.**

A report suggesting setting- up a new sectional group in the RSN (as part of the RSP structures) was presented. Members considered the report with its appendices presented to them by the Corporate Director. One of the appendices listed the c750 towns (over 3,000 in built up area population) which may be candidates for such a Group.

It was felt there was now a lack of a national voice for rural towns over significant rural issues following the 'running down' of the Market Town initiatives that had taken place over previous decades.

The Countryside Commission had undertaken work when they were current on the basis that market towns were found when the local population exceeded 2,500 people.

Obviously, it would be impossible to approach all these at the one time and a tranche by tranche approach would allow for RSN to build from a base of experience.

There were perhaps three forms of rural towns identified by Defra definitions/data

- (a) Hub Towns which exceeded the normal 10,000 population of traditional Market Towns but still took on that central role
- (b) Market Towns with a built-up area population of between 5 and 10 thousand people
- (c) Smaller Market Towns down to 3,000 people.

Many of these towns (if they were in the area of a member authority already as a result of that membership) received Community Group involvement giving them the Bulletin weekly service plus the opportunity for panel work and this would continue.

However, for a fairly small annual involvement fee the following service was suggested:

- (a) Formation of a dedicated RSP Rural Towns Sub-Group, offering some peer-to-peer networking and discussion opportunities (either face-to-face or online).

(The suggestion to use RSP was to avoid any possible dilution of the work of the RSN SIG work which involves principal councils)

- (b) Development of a representational role, for example responding to selected public policy consultations or meeting with interested Parliamentarians. There appears to be no rural specific or market or small towns APPG.
- (c) Development of some good practice and learning material related to the key policy areas and delivery challenges or opportunities for rural/market towns.
- (d) Provision of a dedicated (quarterly?) newsletter highlighting relevant latest policy developments, showcasing interesting member practice and flagging relevant initiatives or funding opportunities (perhaps drawn from the Rural Funding Digest).
- (e) Possibly provision of some benchmark statistics about rural/market towns.
- (f) Management of occasional online surveys of the member rural/market towns, to gather comparative information about topics of particular interest to this grouping.

It was felt the best way to establish a first tranche was to randomly pick a town each from all the rural areas listed and see how many would be interested. A mixture of the three sizes of town would be selected.

It is suggested that the annual membership fee requested is £150 for Hub Towns; £130 for Market Towns and £110 for the Smaller Market Towns (all plus VAT).

RSN would ensure that there would be two specific meetings a year of this sub-group with periodic opportunities for this Sub Group in RSN to present to the Rural Services

APPG as relevant issues arise which MPs representing Rural Constituencies should be made aware of/asked to make representations to Ministers about.

**9. RSN Budget 2019/20**

Members considered the report from The Chief Executive. The position may have been marginally improved by the decision to put back a unitary Northamptonshire.

**10. Spending Review Discussions about Rural Finance based Aspirations with the Chief Secretary to the Treasury and with other Rural Groups.**

RSN along with other rural representative bodies had been invited to a meeting with Liz Truss the Chief Secretary to the Treasury about the forthcoming Comprehensive Spending Review. She had encouraged the organisation to put together a common case. Although with a group of organisations who represent different rural viewpoints this had proved possible and a constructive second meeting had now taken place.

The Minister had asked the Groups to come forward with specific proposal on Rural Housing and (working with the Department of Transport) on Rural Transport.

**11. Report on the Housing Survey.**

Members received for information the outcome of the survey undertaken by CCRI on behalf of Rural England on Housing Issues. The report was noted. The development of a rural panel was proving challenging.

**12. Verbal Report to the Executive on Advertisements in the Rural Bulletin.**

Members had asked that they be informed back about feedback from people over the introduction of limited advertising in 'The Bulletin'. EE had been running an advert for 2 months. The advert had been moved forward on the second month. No adverse comments had been received.

**13. Current Staffing Issues.**

(A) Secretarial Staff.

Two part-timers were leaving the Tavistock office having been offered other jobs. This gave the opportunity to seek to get a new employee involved on five days a week rate basis. Such a position had been advertised.

(B) Possible secondment of the Policy Director for two days a week for a year.

To seek to move forward Rural England CIC (Rural Research) needed some dedicated assistance. They had been examining the options. To seek to assist Jon Turner had been offered to R.E. on a two day a week one-year secondment. RSN would benefit financially.

The RE Directors were this month currently considering the position.

**14. Regional Meeting Update.**

A report was given. The Regional Meetings (including one introduced into the South East for the first time) continued to be well received and attendance had been good.



## 15. **Call for a Rural Strategy Campaign.**

### **(a) Offer to non- members in the Predominantly Rural Classification seeking to gain their support for the Call on Government for a Rural Strategy.**

If the Call or a Rural Strategy was to be persuasive it was felt that support needed to increase. At the present time there were 18 authorities who stood outside the group whose areas were classified Predominately Rural. To run parallel with the Call a membership campaign needed to be mounted.

The Executive considered the matter and decided as follows.

(A) Those who it was considered gained no financial benefit from Sparse Rural activities would be requested to take up Rural Assembly membership at the going rate of £663 at this vital time.

(B) Those who were clearly receiving Sparse Rural Benefit and were received Rural Services Delivery Grant would be offered a special two-year introduction rate involving both Sparse Rural and Rural Assembly membership at £1000 per annum for the two years.

### **(b) Lords Select Committee Report on Rural Economy. Summary and Recommendations Sections had been attached.**

The Select Committee had issued a comprehensive and very persuasive report a summary of which had been circulated to the Executive. It had lived up to every expectation. A comparison survey was being undertaken to establish where the Report ran parallel with the 'Call for' backing papers and where there might be variance but undoubtedly the Select Committee Report was a tremendous boost for the Call. Undoubtedly the Select Committee work had added invaluable depth and texture to the 'Call'.

### **(c) Proposed Regional Roadshows**

After an event which, had taken place in Taunton, the RSN, the Rural Coalition, ACRE and Plunkett were working together on further ones. They were planned for the North (possibly one in North East and one in North West), in the Midlands (possibly one in each of the West and East Midlands) and one in the South East. It was hoped that Calor would sponsor these.

### **(d) Working with the Rural Services APPG**

The Chief Executive had discussed very fully with the Chair, Philip Dunne. He had agreed that the APPG could be used as the political springboard for this campaign. They would also take a watching brief on the Lords Report and the Government's response.

### **(e) Engaging with RSN/RSP Members**

To date there were over 1,000 signatories to 'the Call'. How, the matter had not really been pushed yet (due to the May elections) and over the summer and autumn there

would be need for the matter to be taken up with councils and other organisations on an individual basis if the petition was to be meaningfully employed.

Shropshire Council had (unanimously) passed a supportive motion and this could be offered as a template for similarly minded members.

**Attendance at relevant fringe events at Party Conferences was being considered**

**16. Any Other Business.**

**The ‘Leading Edge Initiative’**

Cornwall was seeking to establish, largely on an officer basis, a grouping that argued for those areas that did not have a significantly sized city or large town in their area. Research with consultants had produced a swathe of such authorities across England with some approximate physical inter connection. An embryo grouping of some 20 authorities was under consideration to argue and present a case to Government in comparison to the City Region case. This group wished to ensure the work of the RSN and the CCN would not be impacted upon by the initiative and would keep both organisations updated.

## **SUBSEQUENT THOUGHTS- RURAL STRATEGY CAMPAIGN RE OFFER TO NON MEMBERS.**

### **INTRODUCTION**

At the last meeting of the Executive members looked at the how fuller membership might assist the Campaign. The agenda report read:

#### **‘Call for a Rural Strategy Campaign.**

##### **(a) Offer to non- members in the Predominantly Rural Classification seeking to gain their support for the Call on Government for a Rural Strategy.**

If the Call or a Rural Strategy was to be persuasive it was felt that RSN membership support needed to be increased. At the present time there were 18 authorities who stood outside the group whose areas were classified relevant under Defra’s ‘Predominately Rural’ classification, the most rural of the classifications. To run parallel with the Call for a Rural Strategy campaign therefore a membership campaign needed to be mounted.

Those 18 authorities are:

**Aylesbury Vale\* (Sp), Cambridgeshire (Sp)\*, Carlisle (Sp), Central Beds, Fenland (Sp)\*, East Hampshire, High Peak, Horsham\*, Isles of Scilly\*, Maldon (Sp)\*, Rushcliffe, Staffs Moorlands, Swale, Tendring (RA)\*, Waverley, Wiltshire (Sp)\*, Winchester (Sp)\*, and Wyre,**

**( \* = former member; Sp = Sparse Entitlement; RA = Rural Assembly; )**

The Executive considered the matter and decided as follows:-

(A) Those who it was considered gained no financial benefit from Sparse Rural activities would be requested to take up Rural Assembly membership at the going average rate of £663 at this vital time.

(B) Those who were clearly receiving Sparse Rural Benefit and are receiving Rural Services Delivery Grant would be offered a special two year introduction rate involving both Sparse Rural and Rural Assembly membership at £1000 per annum for the two years.

We have looked at the situation and in addition to this recommendation we note that there are also a further 80+ authorities who have rural affinity many of whom are in the Urban with Significant Rural Areas group.

**These are Amber Valley, Arun, Barrow in Furness, Basingstoke, Bedford, Bolsover, Broadland\*, Buckingham, Cannock Chase, Canterbury\*, Charnwood, Chelmsford, Cheshire West\*, Chiltern, Colchester, Darlington, Dartford, Doncaster, Dover, East Staffs, Eastleigh, Epping Forest, Fylde, Gloucestershire, Gravesham, Great Yarmouth, Hart, Hertsmere, Hillingdon, Hyndburn, Kent, Kettering, Kirklees, Leeds, Maidstone, Mansfield, Medway, Milton Keynes, Mole Valley, Newcastle, Newcastle Under Lyme, NE Derbyshire, NE Lincolnshire, North Tyneside, Pendle, Peterborough, Preston,**

**Redcar and Cleveland, Rochford, Rotherham, Sheffield, South Gloucestershire, St Albans, St Helens, Surrey Heath, South Bucks, Telford\* Test Valley, Thanet, Thurrock, Tonbridge, Torbay, Wakefield, Warrington, Wellingborough, Warwick, Welwyn, West Berks\*, West Lancashire, Winsor, Wokingham, Wyre Forest\*.**

**(nb--all of these would be Rural Assembly as opposed to Sparse Rural if they entered membership)**

Somehow or other we need to get as many authorities as possible involved.

We recommend that to widen to the full degree the opportunity for authorities with any rural area to come to the table with RSN we also establish an Associate Group giving some limited service for a fee of £387 per annum.

These Associate authorities would not be invited to be involved in meetings so they would not receive agendas to either full London Meetings or Regional/Seminar Meetings etc or get discounted rates for the Rural Conference. They wouldn't get the best practice or the research service either or be entitled to any free or discounted RCHA involvement. However they would be entitled to the Bulletin service as would their parishes and rural community organisations.

The Associate 'linkage' would be available to both the lists of authorities set out above.

The thinking behind this is that once an authority becomes involved at some level it is a lot easier to persuade them of the benefit of additional service as we have 'a foot in the door' . We can stand or fall by the incremental service we can offer them. If however an authority removes them-selves from membership they are effectively lost to us and we have no current way of employing any 'safety net'. It becomes massively difficult to re-engage with them at all.

With an Associate Group system working theoretically therefore the Bulletin service would be available to every rural area and its parishes across England for a £387 fee payable by any principal authority serving these areas.

IF the Principal authorities were unwilling to join on that basis the Parishes themselves would be offered RSP membership through the Rural/Market Town fee applicable to that Parish (£150/£130/£110 fee depending on size) and therefore could get the wider service provided to RSP members through the Rural/Market Town Grouping)

IF this system is introduced for members who decide to leave altogether (or have done so and don't re-join at some level) we would in future remove community service from their parishes etc a step we have been reluctant to be doing up until now.

## Note of last SPARSE Rural Special Interest Group meeting

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<b>Title:</b>	<b>SPARSE Rural Services Network Special Interest Group</b>
<b>Date:</b>	Monday 24 June 2019
<b>Venue:</b>	Westminster Room, 8th Floor, 18 Smith Square, London, SW1P 3HZ

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### Attendance

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

Item	Decisions and actions
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**1. Apologies for absence (see Appendix B)**

Cllr Cecilia Motley welcomed members to the meeting and outlined the agenda which included background information on planned talks for the afternoon session.

**2. Minutes of meeting held 28 January**

The minutes from the previous meeting were approved.

**3. Minutes of Executive Meeting 20 May 2019**

The minutes from the last meeting of the Executive were noted. Specific issues arising from that meeting included a change of date for the AGM, now taking place at the beginning of December in order to avoid clashing with the CCN Conference.

Members were asked to note that the first of the proposed Rural Strategy Regional Roadshows would be 11 July in Newcastle. RSN are currently awaiting confirmation of financial support.

The first meeting of the APPG relating to the Lords Select Committee was provisionally set for 2 July.

The Leading Edge Initiative – a conference call has been arranged with Cornwall and Shropshire Councils to ensure avoidance of any duplication or overlap in the work undertaken.

Mr Inman outlined ongoing work around setting up the groups previously discussed – including the proposed Rural/Market Towns Group.

**4. Local Government Finance**

The Chairman moved onto the issue of local government finance and in particular the proposed new Needs Formula and 75% business rates retention.

Mr Biggs reminded the group that there had been a MHCLG proposal to publish a consultation document with exemplifications of what the new formula would mean for individual local authorities. He stated that is now unlikely to happen. There is probably not going to be any conclusion to the fair funding review until a comprehensive spending review is completed – which is unlikely to happen this year. This is because of the current political position and other governmental priorities at this point.

Members heard that, at the moment there is insufficient clarity about the formula and all current thinking is that there will be no comprehensive spending review this Autumn although there will probably be a one year budget with a roll-over of the existing local government formula with additional funding for Social Care.

Mr Biggs referred to discussions held with Pixel regarding preparation of a briefing note around this issue to remind MPs and one for newly elected councillors to inform and notify of current needs for increase of funding for the rural service delivery grant as well as social care funding. Both of these important issues need to be sustained and a commitment from the government must be sought to lock in the positive implementation of the existing principles in the proposed Needs formula.

Members noted positives arising from the consultation and the danger in these being undermined if there is delay.

Members points included:

- Concerns that if an announcement about changes is delayed, management of financial implications must be prepared in advance.
- Of all of the positives for rural, it is difficult to see the total quantum for distribution without the spending review;
- Ministers may be tempted to strip money out of the more solvent authorities to assist those less so;
- They suggested that targeted ministers be approached to engage on these issues;
- Members referred to Brexit and the feeling that Ministers are reluctant to make any funding decision until the outcome is clear;
- There were concerns about the imbalance in council tax levies between urban and rural authorities and the fact that needs and therefore costs, are much higher in rural;
- Are there any County Councils likely to go under? – the Chairman stated that the CCN would have this information, but it is unlikely that they would want this publicised;
- Budgets need to be balanced, and because of this, councils will have to decide where to move money around to deal with their statutory duties and other priorities;
- There is a worry that many councils have borrowed to invest in commercial property and these investments are vulnerable given the current climate and exchange rates;
- There is a real challenge to overcome and this needs to be recognised by government and constituencies;
- If quality of services have to go down, this will impact on the popularity of MPs and it might be a good idea to produce data on this and in particular, how many of these services are going into special measures. Someone needs to take responsibility and the profile of these issues needs to be raised;
- Negotiations should be concentrated on engaging with HMCLG on the funding formulae.
- It is important to develop places as a critical issue rather than discretionary issue

as is currently suggested. Government must realise that anything to do with 'Place' should not be put under discretionary as this is key to affecting people.

The Chairman referred to problems with solvency of certain authorities and questioned whether this had been considered. It was felt that MHCLG and Treasury and Ministry for Health & Social Care acknowledge that this is due to costs of Social Care.

Mr Biggs informed members of previous discussions and that it appears that the Green Paper will not refer to distribution of government funding but about personal contributions to care. Members noted that it is unlikely that sign-off will take place any time soon and they felt the actual substance of the Green Paper may be very disappointing. In addition, it is also clear that consequences on insufficient funding in social care has a much greater implication for rural areas.

A member referred to local delivery of essential services and asked Mr Biggs to outline the Lords report.

## **5. Lords Report on Rural Economy Chapter**

Mr Biggs asked whether there is anything within the report that members disagree with at this point. He referred to a document which has been prepared which shows evidence that up to 80% of what was included in the RSN Template has been included in the Lords Report.

**Action:** The document will be circulated to members and includes some issues raised by the Lords which the RSN had not raised.

One member was concerned that the suggestion that areas need to urbanise in order to receive the benefits that they expect – this is not what rural inhabitants want.

The group discussed key issues within the report and focussed on particular areas in turn.

Their comments included:

### **Transport**

- Transport issues – the suggestion to put this into a single investment pot needed to be considered very carefully, and more detailed proposals put forward to look at the real need for certain services and whether rural transport is actually being used properly.
- There are concerns that some rural transport is a waste of money as they are insufficiently utilised, and members agreed that a review of better use and a place-based approach should be carried out by government;
- Worries that the total amount will end up less and there would be reluctance to take responsibility for a single pot;
- Is the planning system engaging in rural self-help schemes to enable residents to support themselves;
- The biggest cost of transport is the driver and consideration of a community led transport alternative should be uppermost in looking at this issue;
- Public transport prevents people from becoming socially isolated and is not just a luxury;

- Perhaps setting up a centre might be cheaper where a transport system could be used to arrange necessary transport rather than a bus service;
- They discussed app-based products currently used by certain villages – run by bus companies as an option to consider;
- Rural proofing doesn't seem to be happening;
- Reference to schemes being run in rural villages to use alternatives to standard transport services. It was felt that there is quite a lot of scope for savings, but it really needs more work and a greater coherent steer. A lot of it will be dependent on local connectivity.

The group agreed that the work suggested with the DfT be taken forward and then to consider the consequences.

### **Crime**

Mr Biggs moved onto crime issues and the group held a brief discussion on the recommendations.

Members agreed the following:

- Higher penalties for fly tipping and difficulties around actual disposal of waste – it was noted that these decisions and whether to charge for disposal is with the local authority;
- There are specific issues around social crime in rural areas and this needs to be defined at the local level;
- There is a cynicism about whether anything will be done about certain crimes.

The group agreed in principle with the recommendations at this point in time.

### **Health**

Members agreed the recommendations at this level. The next stage is for the government to prepare its response to the Lords Select Committee Report. Only once it is published will the RSN be able to decide the way forward.

There were concerns raised, however, that certain community hospitals will be closed and the move to digital health will not be suitable to meet the needs of an ageing rural population. There are fears and a real lack of reassurance for the vulnerable and this will also impact on social integration and isolation. Members feared that these health hubs may still not be fit for purpose. It was felt that the model is more relevant to urban areas and there has been no thought given to the practical issues faced by rural communities such as travel times, accessibility etc.

The placement of Local Rural strategies will always be helpful in taking things forward.

### **Budget Report**

Members noted the report for information.

## **6. Any other Business**

There was no other business. Members were reminded to sign the attendance sheet as evidence of their presence at the meeting.



**Appendix A**

**Attendees**

<b>Organisation</b>	<b>Name</b>
Cllr Cecilia Motley, Chair	RSN
Graham Biggs, Chief Executive	RSN
David Inman, Director	RSN
Cllr Virginia Taylor	Eden District Council
Cllr Mary Robinson	Eden District Council
Cllr Mark Whittington	Lincolnshire County Council
Cllr Trevor Thorne	Northumberland County Council
Cllr Edward Baines	Rutland County Council
Cllr Sue Tucker	Scarborough Borough Council
Ian Knowles, Executive Director of Resources & Head of Paid Services	West Lindsey District Council
Cllr Margaret Squires	Mid Devon District Council
Cllr Jeremy Savage	South Norfolk Council
Cllr Rupert Reichhold	East Northamptonshire District Council
Cllr Robert Heseltine	North Yorkshire County Council
Cllr Owen Bierley	West Lindsey District Council
Cllr Yvonne Peacock	Richmondshire District Council
Cllr Louise Richardson	Leicestershire County Council
Peter Stevens	West Suffolk Council
Anna Price	Rural Business Group
Cllr Lindsey Cawson	North Kesteven District Council
Ken Pollock	Worcestershire Council
Cllr Gwenlyn Butler	Shropshire Council
Fatima de Abreu	Local Government Association

**Appendix B**

**Apologies**

<b>Organisation</b>	<b>Name</b>
Cllr Richard Sherras	Ribble Valley Borough Council
Terry Collins, Chief Executive	Durham County Council
Cllr Sue Sanderson	Cumbria County Council
Cllr Peter Thornton	Cumbria County Council
Gary Powell, Community Projects Officer	Teignbridge District Council
Cllr John Ward	Babergh District Council
Anna Graves, Chief Executive	Breckland and South Holland District Council
Revd Richard Kirlew	Sherborne Deanery Rural Chaplaincy
Cllr Richard Sherras	Ribble Valley Borough Council
Cllr Lois Samuel	West Devon Borough Council
Peter Catchpole, Corporate Director	Fenland District Council
Cllr Rob Waltham	North Lincolnshire Council
Cllr Adam Paynter	Cornwall Council
Cllr John Blackie	North Yorkshire County Council
Cllr Ben Ingham	East Devon District Council
Cllr Alan Whittaker	Chorley Council
Cllr Stephen Burroughes	East Suffolk Council
Cllr Daniel Cribbin	Daventry District Council
Cllr Sue Sanderson	Cumbria County Council
Cllr Gary Taylor	South Holland District Council
Cllr Jonathan Brook	South Lakeland District Council



**MINUTES**  
**Rural Economy Group**

**Venue:** The LGA, Smith Square, London SW1P 3HZ

**Date:** Monday 24<sup>th</sup> June 2019 at 1 p.m.

The meeting was held at the **LGA, 18 Smith Square, Westminster, London, SW1P 3HZ**.

**Attendance**

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

**1. Apologies for Absence**

An apologies list is attached as **Appendix B** to this note

**2. To Confirm the Minutes of the Last Meeting**

Held on the 28<sup>th</sup> January 2019 and agreed as a correct record.

**3. Presentation by Fadekemi Abiru, Department for Business, Energy & Industrial Strategy – An Introduction to LISA analysis and evidence**

Fadekemi explained the purpose and thinking behind the LISA exercise which would be undertaken by LEPs throughout the country. Her presentation can be reached through the following link:

[https://rsnonline.org.uk/images/meetings/specialist-subject-meetings/rural-economy-group/24.06.19/Fadekemi\\_Abiru\\_presentation.pdf](https://rsnonline.org.uk/images/meetings/specialist-subject-meetings/rural-economy-group/24.06.19/Fadekemi_Abiru_presentation.pdf)

This was an ambitious plan. It was felt this would give local areas the opportunity to take responsibility for their own areas. Analysis through the plan would ensure they were quality assured. It was understood the exercises should be valid until 2050.

It would be a LEP Economic Report in conjunction with a Capability exercise and an Engagement Programme. The exercise involved working through a (national) Policy Prospectus Pack setting out ground rules and allowing

**Providing a voice for rural communities and service providers**

David Inman, Director Kilworthy Park, Tavistock, Devon PL19 0BZ

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Ministry input as the exercise proceeded.

This was seen as an exercise involving and integrating public and private sector thinking. It should set out mapping equalities and evidence about the LEP area and incorporate what was felt to be relevant data.

There appeared no requirement for rural proofing at the moment and Fadekemi agreed to feedback the Group's concern about that.

Local Chambers of Commerce would be asked to analyse and say what they felt were the drivers and the obstacles.

Policies should be long-term and ambitious and the supply side should be commented upon. It was important to join the evidence with the negative influences.

Adjacent LEPs might also be involved to allow the exercise to consider how the proposals would fit with wider planned aspirations.

The Group felt that the rural considerations might be being missed with the way the exercise had begun. It was felt that LEPs should be being required by the national framework to rurally proof – and make the evidence that they had done so – and conclusions reached publicly available for wider scrutiny - matters in their area in any event.

Fadekemi would report back and the Group would be kept informed. She said the pack was constantly being updated as LISA was intended as a long - term exercise.

Local Authorities, she said, would be kept informed of proposals as they emerged. Members were keen to point out that rural considerations should not just be as after-thought. Rural areas could play a very positive role to the national economy as a whole in their view.

4. **To discuss the sections of the House of Lords' Select Committee Report into the Rural Economy which are most directly related to the Rural Economy; namely Chapters 1, 2, 4 and 6 (including the Conclusions and Summary of Recommendations for each)**

### **The Call for a Rural Strategy**

#### **Providing a voice for rural communities and service providers**

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Graham Biggs explained in detail how the RSN had arrived at its present position in making this call and how advisory papers had been formulated to assist the exercise. These papers had been presented to the Group at previous meetings and approved.

Graham reported that the process had received an enormous boost as the House of Lords, through Select Committee, had themselves produced a Report and Recommendations to the Government entitled "Time for a Strategy for the Rural Economy". The title suggested this was a little narrower than the RSN "Call" as it was based around the rural economy but in practice it covered many aspects not normally associated with an economic strategy and there was a large percentage of common ground between the two processes. RSN had given verbal evidence to the Lords' enquiry on two occasions and there was much common thinking. The Government were by law obliged to respond to this Lords' report by the end of the coming week. The report, it was felt, would be a challenge for Government as it covered a very wide areas in some depth. It was then up to the Lords to decide when they would publicise this response.

The Lords' report would, in many areas, provide some of the depth and texture the RSN required to push on with its own Representations to Government

Graham explained that three or four (depending on budget/resources) Roadshows would be organised after an initial event which had been held in Taunton in the South West in the early spring. It was hoped that sponsorship would be obtained for these shortly.

The Roadshows planned were being organised in a partnership with ACRE, The Rural Coalition and the Plunkett Foundation and would consider two things:

- What were the reasons and the thinking behind the RSN Call?
- What was required to assist the process?

At this stage, Councillor Giles Archibald, Leader of South Lakeland District Council, offered to sponsor an event in the North West at their offices. This kind gesture was willingly accepted and a North West Roadshow would be

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added to the programme. It would be available to Cumbrian and Lancashire authorities and organisations.

The first Roadshow would be on Thursday 11<sup>th</sup> July in the North East. The Northern Rural Network at Newcastle University had agreed to assist with this.

Political Meetings around the Party Conferences in the autumn were being held at the Liberal Democrat and (hopefully) at the Labour conferences. A meeting with Conservatives Rural Issues Group might be held (in London) in November. An exercise would be undertaken looking at the Lords' report asking

- Where have we common ground
- What is omitted
- How can we deal with issues where there might be some variances?

A document setting out the above would be sent to Members of the Group for comment – especially on the issues raised in the Lord's Report where there was no established RSN policy.

### **House of Lords' Report**

To assist the exercise just described, the Group were then asked to discuss the section of the Lords' report:

Chapter 1 – The Importance of the Rural Economy

Chapter 2 – The Rural Economy and Public Policy (combined)

Chapter 4 – Digital Connectivity

Chapter 6 – Access to Skills and Rural Business Support

They were asked as follows:

- Are there any of the Lords' recommendations the Group disagree with?
- Are there any of the recommendations which it is felt should be prioritised?
- Is there any more evidence needed to progress the case to Government?

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- Do members have any case studies/evidence they could offer in support?

The Lords' response was then looked at thoroughly by the Group and the following comments were made:

Funding	It was absolutely essential successor funding was established allowing similar exercises to the ones facilitated by the EU funding to properly continue community involvement schemes.
The Challenges	The Group totally agreed with the report. Evidence was however going to be important. All authorities were asked if they could consider whether they could provide such evidence
Economic Performance Distinctiveness	Totally agreed. It was felt the economic importance of rural areas was being very much understated by Government. There were massive opportunities but Government had a major role to play.
Crime	It was felt there had been a clear and significant erosion of essential services.
Crime	It was felt the extent of rural burglary should be sought to be properly quantified and given far more attention.
Crime	National Rural Crime Network would be considering this chapter.
Crime	The penalties for illegal dumping should made considerably more severe. The present fines were woefully inadequate and a very poor deterrent. It was unfair to expect Land Owners to pay for clearing sites
Rural Economy	It was suspected that loss of services was having a very adverse impact on the rural economy. Remedial

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Transport	measures were in the national as well as the local interest.
Rural Economy Transport	It was felt that studies needed to be undertaken about emerging options facilitated by advancing technology. Better transport arrangements were necessary to kick-start the economy.
Defining a successful rural economy	It was felt t the definition given was a strong one
Box 2 Key Aspects	It was felt that these made really important points.
Objectives	Again, it was felt this was really strong drafting.
Economy (General)	It was felt that work was necessary evaluating how a rural area can benefit from large scale national infrastructure schemes that took place and the degree of adaptability required to take full advantage of any such schemes.
Rural Policy in England	This was a key paragraph. Its importance could not be understated. It was felt the points made needed to be expanded as this constituted the crux of the case.
Design	It was considered that all public buildings in rural areas should now be required to be constructed with fibre to the premises
Case for a Rural Strategy	It was felt the outcomes of the recent DEFRA Select Committee Inquiry would also provide important evidence towards this Call.
Rural Strategy	It was felt that all LEPs with a rural area should by law be required to rural proof all of their considerations. Too often decisions were unfortunately solely urban based and rural issues were often masked by whole area data.
Rural Strategy LIS	Rural Strategy and Rural Policy needed to be fed into the LISA work straight away.

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Essential Elements	These were fully agreed and it was felt the drafting was strong.
Replacing EU Funding	There was total agreement with the final bullet point. This was felt essential if rural economic potential was to be unlocked and that would clearly be in the overall national interest.
Conclusions Replacing EU Funding	A scheme where universal credit had been successfully employed re Hill Farming in Eden was referred to. It was felt it would be a good case study.
Conclusions	Rurality checks on all legislation and policy changes would be in the national interest. The importance of a buoyant rural economy was not fully appreciated and its importance not appreciated.
Conclusions- Threats.	Absence of data. The Group felt the report was very sound on and totally agreed. This was a very significant problem.
Points 58, 59 & 60	The point was made that this however needed to be a comprehensive package which including suitable resources to accompany it . It was felt these points needed to be developed by further wider consideration and proposals by Government.
Rural proofing.	The plurality of rural views was noted. It was felt the point here was an important one.
Box 3	The bullet points on rural proofing however had not been universally adopted by government and --- this was THE problem.
Minister working between Treasury &	This was felt to be an important and valid point.

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DEFRA	
Components of Rural Proofing	The importance of the limited scale of rural operation was yet again emphasised.
Pg. 26 Point 89	There was total agreement with the point made by Sarah Lee. It summed up the position well.
Apprenticeships	The group were in total agreement with the point being made by the Lords' report.
Arts Council operation	Whilst the Arts Council were congratulated there was still a need for some rural proofing over grant allocation.
National Parks	There appeared to be maybe a lack of consideration over how National parks and other protected areas should be considered. The degree of rural proofing necessary here perhaps needed to be even greater.
EFRA Select Committee	It was felt the EFRA Select Committee considerations might again be relevant. There clearly should be an attempt to incorporate their views when they were known into this chapter. in taking forward our own work. Combining three thought patterns would be really powerful.
Vocational Education	There appeared to be a decline in vocational education. Presumptions seemed to be made about the levels of skills and learning. This might not be the same as in an urban context.
35	Essex CC offered the expertise gained by their Skills Board. They could offer some best practice here.
Pg. 61 & 62 Loneliness in rural areas	Again, the Group felt there was a need for a specific rural approach in this area. It was time to re-think things but there was also a need for money to support initiatives. They could not occur otherwise.

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Diversity	The role of rural areas in climate change and providing diversity of services were not necessarily appreciated nationally. There should be more emphasis on the importance of these considerations and how rural areas could be playing a yet wider role in the national interest.
Tourism Zone	These could be brought back if it was felt necessary. They had had merits.

It was agreed that these minutes as a draft would be circulated to all nominated members so that they could input any further information they wished to include at this stage.

The meeting closed at 3:15pm.

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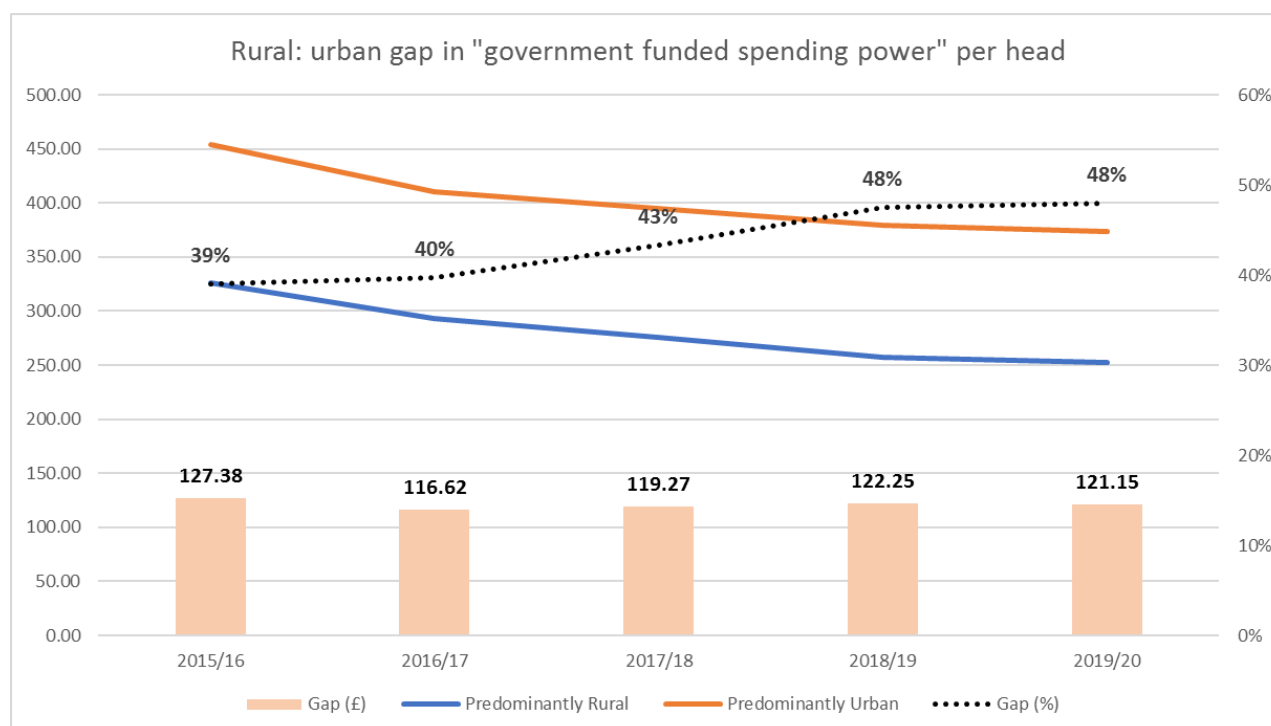
## **Rural Services Network – Measuring expectations from the Fair Funding Review**

### **Introduction**

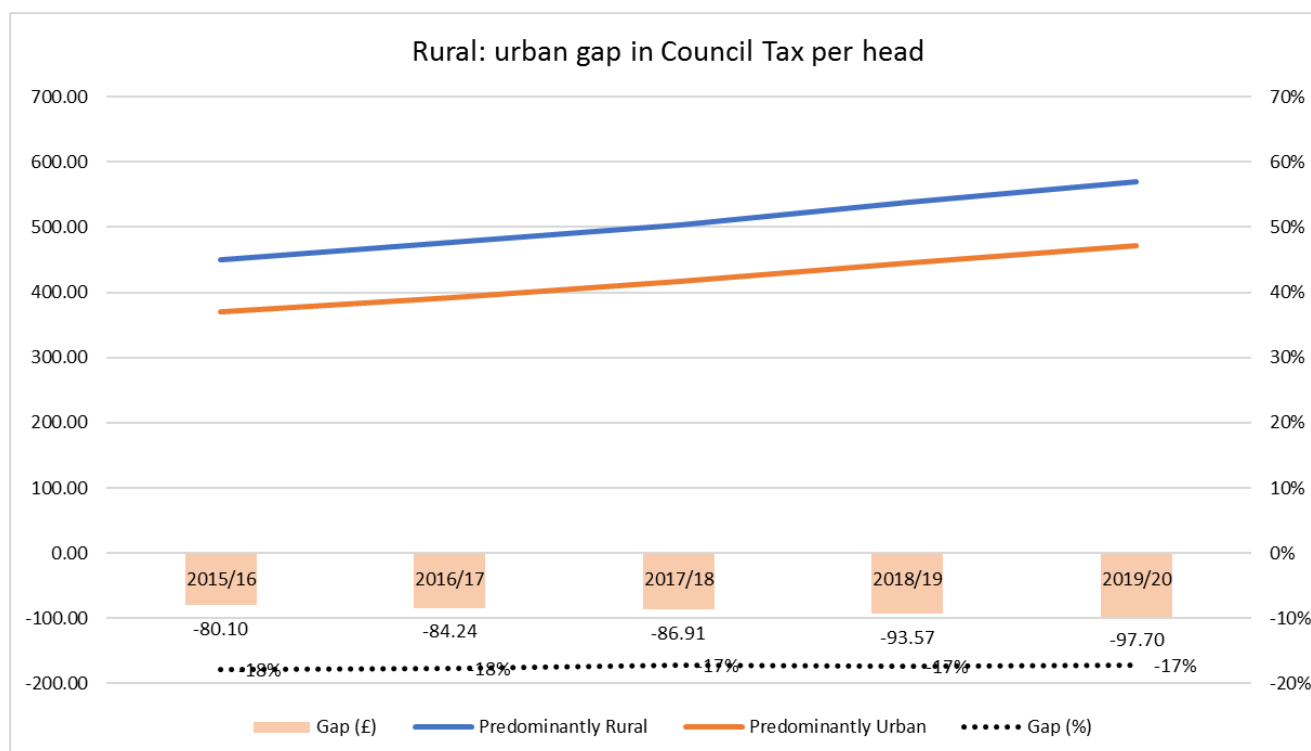
1. The Rural Services Network (RSN) has been effective at winning the debate about funding rural local authorities. In recent years, the government has created new funding streams (e.g. the Rural Services Delivery Grant) and increased the funding through these grants, from £15m in 2015-16 to £80m in 2019-20.
2. More generally, RSN has won the argument that rurality and sparsity are important drivers of cost in rural authorities. The Ministry of Housing, Communities and Local Government (MHCLG) has accepted the strength of this argument and, in the Fairer Funding Review (FFR), is proposing a new indicator to reflect the additional costs related to longer travel times in rural (and very urban) areas.
3. Most of the funding for rurality or sparsity is within the Settlement Funding Assessment (SFA). Many of the service blocks within the SFA have their own sparsity indicators, including adult social care and environmental, protective and cultural services. These indicators were given a higher weighting in 2013-14 – again proving that the rurality argument advanced by the RSN and the Rural Fair Share Group of MPs has been successful. But the gains from increases in SFA were mostly wiped-out through the application of damping which caused, on average, a 75% reduction in the benefits of the changes as exemplified by DCLG at the time. Of Course, this means that rural authorities did benefit by the other 25% - worth over £45M per annum collectively
4. In 2013-14, rural authorities won the battle but lost the war. It is essential that the same does not happen again in 2021-22 (or whenever the results of the FFR are implemented). In this paper, we outline two metrics that RSN could use to ensure that improved rurality and sparsity measures actually translate into higher levels of funding for its member authorities in 2021-22. RSN can discuss these metrics with MHCLG so that they understand how, through the RSN, rural authorities will judge whether they have benefitted from the FFR.

### **Metric 1: Closing the Rural: Urban funding gap**

5. The first metric is to compare the funding per head received by rural and urban authorities. There are different measures that can be used to measure the rural: urban funding gap, but our preference is to use “government funded spending power”. This measure encompasses all the funding provided for local government by central government, including Rural Services Delivery Grant, SFA, New Homes Bonus and the adult social care grants.



6. Urban authorities receive much more funding per head than rural authorities. In 2015-16, the funding gap per head was £127, with urban authorities receiving 39% per head more than rural authorities. This funding gap has barely moved in cash terms over the last four years, despite increases in the Rural Services Delivery Grant. The rural: urban funding gap is still £121 per head – but urban authorities now receive 48% more per head!
7. Over the period of the next spending review, or during the implementation of the FFR, RSN wants to see this funding gap materially reduced. Our target is that gap in GFSP per head should reduce by at least £5 per head per year and that this should continue over the period of the next SR.
8. There are arguments that any metrics should include council tax (GFSP takes into account the ability of authorities to generate council tax income via an assessment of notional council tax). Typically, rural authorities are more reliant on their local taxpayers than urban authorities. Whilst it may be reasonable to take council tax income into account, it is not reasonable for rural taxpayers to pay more than their urban counterparts or for their council tax to increase more quickly. Spending Power – which is the measure used by government – includes Council Tax and significantly distorts the true size of the gap in government funding between urban and rural areas.
9. Council tax per head is £97 higher in rural authorities than in urban authorities. And this gap has increased since 2015-16 (from £80). Rural taxpayers are being asked to pay more than their urban counterparts in council tax to provide local services and as a means to partially offset the (growing) gap in government funding.



10. We recommend that RSN lobbies MHCLG to adopt reducing the rural: urban funding gap as a measure of “success” in its FFR. For RSN, adopting such a measure ensures that all the changes in the FFR are taken together. Many rural authorities will benefit from the other changes that the government is proposing, such as a flatter distribution of funding in the Foundation Formula. And whilst this is not directly a “rural” indicator, it benefits many rural authorities. Furthermore, by adopting a very wide measure of funding, RSN can ensure that the government does not repeat what it did in 2013-14, when it gave to rural authorities with one hand, and took away with the other. It will be a clear position to put to the Rural Fair Share Group of MP for them to force the government to take seriously the funding of rural authorities.

### **Metric 2: Increasing the funding driven by sparsity and rurality indicators**

11. The second metric that we recommend RSN adopts is to actually measure the specific funding for rurality and sparsity within the SFA and across other sources of government funding, such as the Rural Services Delivery Grant.
12. Measuring the specific funding that is allocated to rurality and sparsity is important because it ensures that these specific factors retain a strong profile. It also provides a direct route for ministers to increase the funding for rural authorities in a targeted way.
13. Whilst the funding gap metric is useful for ensuring that rural authorities collectively receive a larger share of funding, measuring specific rurality and sparsity funding helps to ensure that funding is directed towards the most rural authorities. Some rural authorities – particularly those with the highest levels of sparsity – are rightly worried that their current relatively high levels of funding through the RSDG will be eroded through the FFR.

14. Measuring specific funding within the settlement is difficult, however, and will rely on some assumptions. Furthermore, the new sparsity measures will use travel times, and these indicators will fund both sparsity and density, so the funding they distribute will not just be for rurality.

15. We propose measuring changes in specific funding as follows:

Indicator	2020-21 (pre-FFR)	2021-22 (pre-FFR)
Sparsity indicators	Estimate share of SFA allocated using sparsity indicators in 2013-14 and apply to SFA in 2020-21	Same approach if any sparsity indicators remain or new ones introduced in adult social care
Travel time indicators	n/a	Estimate funding distributed through the new indicator to Substantially and Predominantly Rural authorities
Rural Services Delivery Grant	Include full allocation (£80m) and the sums set out in the DCLG 2012/13 exemplifications so as to ensure that the baseline is set at the level it should have been pre-damping	Include any future allocation

16. We recommend that RSN should be setting a target for specific funding for rurality and sparsity to (a) increase in cash terms and (b) to increase as a share of total government funding to local government.

17. Note: if the government delivers on both these two metrics, we would be confident that all SPARSE members and/ or rural authorities would have an increase in their funding (or share of national funding).

### Next steps

18. Agree the approach and the targets

19. Political sign-off by the Rural Fair Share Group

20. Communicate the approach to Ministers and officials in MHCLG

**Adrian Jenkins**

**Pixel Financial Management**

**19 August 2019**

[adrian@pixelfinancial.co.uk](mailto:adrian@pixelfinancial.co.uk)

# Provisional Dates for 2020

RSN Executive-- 13<sup>th</sup> January

\*SPARSE RURAL Meeting—27<sup>th</sup> January

Rural Economy Sub Group- 27<sup>th</sup> January

Week of Rural Parliamentary Day in Westminster ---c Monday 10<sup>th</sup> February

Week of c Monday 17<sup>th</sup> February--- West Midlands Regional Seminar

Week of c Monday 9<sup>th</sup> of March South East Regional Seminar

Meeting of Rural Fire Group p.m. 11<sup>th</sup> March at the LGA Fire Conference in Blackpool-

RSN Executive---- 16<sup>th</sup> March

\*Rural Health and Social Care Sub Group- 6<sup>th</sup> April a.m.

RURAL ASSEMBLY--- 6<sup>th</sup> April p.m.

Vulnerability RSP Meeting 7<sup>th</sup> April a.m.

RURAL SERVICES PARTNER Group 7<sup>th</sup> April p.m.

Week of c Monday 27<sup>th</sup> of April South- West Regional Seminar

Week of c Monday 11<sup>th</sup> of May North- East Regional Seminar

RSN EXECUTIVE --- Monday 18<sup>th</sup> of May



\*SPARSE RURAL Meeting— 22<sup>nd</sup> May a.m.

Rural Economy Sub Group- 22<sup>nd</sup> May p.m.

Week of c Monday 27<sup>th</sup> of July East Midlands Regional Seminar

**RURAL CONFERENCE Tuesday 1<sup>st</sup>/Wednesday 2<sup>nd</sup> September- Cheltenham**

RSN Executive—28<sup>th</sup> of September

(Directors Meeting of RSP – 28<sup>th</sup> September )

Week of c Monday 5<sup>th</sup> October --- North West Regional Seminar

Week of c Monday 2<sup>nd</sup> of November --- Yorkshire Regional Seminar

Rural Health and Social Care Sub Group- 16<sup>th</sup> November a.m.

RSN AGM---- 16<sup>th</sup> November p.m.

RSP Ltd ---- 16<sup>th</sup> November p.m.

RURAL ASSEMBLY--- 16<sup>th</sup> November p.m.

Vulnerability RSP Meeting 17<sup>th</sup> November a.m.

RURAL SERVICES PARTNER Group 17<sup>th</sup> November p.m.

	A	B	C	D	E	F	G	H	I	J	K
1											
2		<b>RSN (INCOME &amp; EXPENDITURE) 2019/20 AND</b>									
3		<b>ACTUAL TO END AUGUST 2019</b>									
4		<b>ESTIMATE 2020/21</b>									
5		<b>INCLUDES 2018/19 ACTUAL AND REVISED ESTIMATE</b>									
6							<b>ACTUAL TO</b>	<b>ESTIMATE</b>	<b>ESTIMATE</b>	<b>ACTUAL</b>	<b>ESTIMATE</b>
7							<b>END MARCH 19</b>	<b>18/19</b>	<b>2019/20</b>	<b>END AUGUST 2019</b>	<b>2020/21</b>
8		<b>INCOME</b>					<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
9											
10		<b>DEBTORS FROM PREVIOUS YEAR (NET OF VAT)</b>									
11		SPARSE/Rural Assembly held by NKDC at year end					3000	3990	3450	3450	
12		RHA - Website Contris.					300	300			
13		RSP Subscriptions						0	990	990	
14		Coastal Communities Alliance (Gross)							1090	1090	
15		CCN re Bexit Roundtable					381	381			
16		SPARSE Rural/Rural Assembly					300636	303786	306672	196428	296637
17		Ditto Held by WDBC at Month End								43690	
18		RSN Extra £350Levy					35350	35700			
19		RSP Existing Member Fees (NET RHCA)					14195	14195	16904	16190	19319
20		RSP Assumed New Member Fees							0		
21		Commercial Partner First Group Buses					10000	10000	10000	10000	10000
22		Income from Rural Housing Group					7417	7417	7540	7035	7691
23		Income from Fire & Rescue Group					4260	4260	3839	3737	3918
24		FIRE GROUP LEVY RE SPARSITY EVIDENCE					6000	6000			
25		<b>OTHER INCOME</b>									
26		Rural Conference Income					14918		8500	15661	
27		Rural Conference Surplus						7709	13600		12000

	A	B	C	D	E	F	G	H	I	J	K
28		CCN re Joint Needs Group Project									
29		Recharges to Rural England Back Office Support					1400	1400	1428		1457
30		RE recharge re Elec NW Commission					1100	1100	1100		
31		RE Secondment Income							12000		4000
32		RE recharge re Southern Water Commission					1000	1000	1000		1000
33		EE/Other Sponsorship					5000	5000	5000		
34		Coastal Communities Alliance Gross)					3268	4358	4358	1116	4445
35		Income re Rural Strategy Regional Roadshows @							10000	1050	
36		RHCA - Fee Income					8642	11260	5000		6120
37		RHCA Expenditure Reimbursement re 2019					5000	5000	17766		18121
38		RHCA Exp Reimbursement 1/1 - 31/3/2020							4500		
39		RHA Website Re-charge									1560
40		RHA Website Dev/Maint Contributions									665
41		RE Website Maintenance					2040	2040	2286		2332
42		Miscellaneous Survey					979	979		276	
43		Contras - Rural England					3002	3035		1500	
44		Contra - Travel								80	
45		Contra - Accountants								200	
46		Contra - RHCA Sub								187	
47		Contra - Fraud Refund								84	
48		<b>VAT</b>									
49		VAT Refund					3144				
50		VAT Received					17181			13664	
51		<b>TOTAL INCOME</b>					<b>448213</b>	<b>428910</b>	<b>437023</b>	<b>316428</b>	<b>389265</b>
52											
53											

	A	B	C	D	E	F	G	H	I	J	K
54							<b>ACTUAL TO</b>	<b>EST</b>	<b>EST</b>	<b>ACTUAL</b>	<b>ESTIMATE</b>
55							<b>END MARCH 19</b>	<b>2018/19</b>	<b>2019/20</b>	<b>END AUGUST 19</b>	<b>2020/21</b>
56		<b>EXPENDITURE</b>					£	£	£	£	£
57		<b>General Provision for Inflation (Non Salary)</b>									2000
58		VAT Paid on Goods & Services					17293			10077	
59		VAT Paid to HMRC					160			574	
60		<b>NET WAGES &amp; GENERAL CONTRACTS (NET)</b>							217273	101710	215781
61		Corporate Management				DI,GB,AD, 1 JT, 100% KB 80%	132470	132170			
62		Finance/Performance and Data Analysis				, DW, 100%,	23844	23844			
63		Financial Support - Consultants & Expenses							15000	391	10000
64		Communications - Lexington & Rose R				RoseR,RCM	35371	37121	26091	8964	26091
65		Administrative and Technical Support				AD3, RI, WI,WC,BA, MB 100%	43123	43106			
66		Research and Monitoring				BW, 100%	7025	7025	8000		10000
67		Economic Development Service				AD5 100%	5202	5201			
68		Coastal Communities Contract					3696	3696	3700		3700
69		Rural Communities Housing Group				AD2 100%	6763	6763			
70		Employee Deductions - Tax/NIC					27723	27813	28322	8036	30022
71		Employee Deductions - Pensions							6044	2322	6199
72		Provision for Annual Pay award									3384
73		PAYE - Employers NIC (11 mths)					10374	10373	9979	2314	11251
74		PENSIONS Employer contrib					2362	2438	3973	1747	4514
75		<b>OTHER EXPENDITURE</b>									
76		RSN/CCN Joint Needs Group Project							17000		

	A	B	C	D	E	F	G	H	I	J	K
77		Rural Strategy Campaign					775	775	16000	9042	
78		Rural Strategy Roadshows							12000	2823	
79		<b>Conferences/Seminars</b>									
80		Rural Conference					7209			1062	
81		Rural Conference Drinks Reception					962	962	1000	1058	1000
82		Rural Conference 2019 - IN ADVANCE					250	250			
83		Regional Meetings/Seminars					1946	2145	2200	769	2200
84		RSP Meetings							1200	579	1200
85		<b>Service Level Agreements</b>									
86		Rural Housing Group (RHG)					782	782	1000	459	1000
87		RHG Website Maint					1224	1224		416	
88		RE Website Maint					2040	2040		692	
89		Rural Inland CIC transfer of part of First Group Support					7000	7000	7000	7000	7000
90		Parliamentary Groups					905	905	1500	416	1500
91		RHCA Direct Set Up Costs					4530	4530			
92		Fire Group Expenses					562	712			
93		<b>Business Expenses</b>									
94		Website Upgrade					650	650	500	500	
95		Travel and Subsistence					23685	24000	22000	8317	21000
96		Print, Stat,e mail, phone & Broadband@					4037	4000	4000	1971	4000
97		Meeting Room Hire					1972	1972	2000	1035	2000
98		Website and Data Base software etc					4965	4700	3820	2199	4700
99		Rent of Office & Associated Costs					4827	5061	9918	2109	10800
100		Accountancy Fees							1507	981	1507
101		Companies House Fees					13	13	13	13	13
102		Bank Charges					92	92	90	34	90
103		IT Support					280	1250	700	165	700
104		Insurance					744	744	800		800
105		Corporation Tax							0		300
106		Membership of Rural Coalition					250	250	250		250

	A	B	C	D	E	F	G	H	I	J	K
107		Corp Man General								253	200
108		CAPITAL 3x Laptops					876				
109		CONTRAS									
110		Rural England @								1790	
111		RHCA Subs Refund@								188	
112		Debit Card Fraud								84	
113		<b>ARREARS - PREVIOUS FINANCIAL YEAR</b>				£24,769					
114		Employee Deductions							2393	2393	2729
115		Employer NIC							1024	1024	1082
116		Employers Pension Contrib							410		410
117		Regional Meetings/Seminars					450	450	240	240	
118		Contact for Service Corporate Management							1917	1917	
119		Contract for Service (ADMIN)					1660	1660	409	409	
120		Communications					500	500			
121		Extra Media by RCM					963	963			
122		Rose Regeneration					2000	2000	1750	1750	
123		Lexington Communications Contract							3482	3482	
124		PIXELL					21958	21958	10692	10692	
125		Research Costs					11420	11420	2100	2100	
126		RSN Online arrears					4523	4523			
127		RHA website Maint					300	300			
128		Travel and Subsistence arrears					823	823	609	609	700
129		Printing, Phone and Stationery (arrears )					9	9	153	153	
130		Office Costs					286	286	3509		
131		Data base etc (arrears )					433	433			
132		<b>TOTAL EXPENDITURE</b>					<b>431307</b>	<b>408932</b>	<b>451568</b>	<b>204859</b>	<b>388123</b>
133											
134		<b>TOTAL INCOME</b>					<b>448213</b>	<b>428910</b>	<b>437023</b>		<b>389265</b>
135		<b>LESS TOTAL EXP</b>					<b>-440818</b>	<b>-418443</b>	<b>-451568</b>		<b>-388123</b>

	A	B	C	D	E	F	G	H	I	J	K
136		<b>DIFFERENCE BETWEEN IN YEAR INC &amp; EXP</b>					<b>7395</b>	<b>10467</b>	<b>-14545</b>		<b>1142</b>
137		<b>ADD GEN BALANCE BROUGHT FORWARD</b>					<b>25875</b>	<b>25875</b>	<b>24768</b>		<b>10223</b>
138		<b>BALANCE CARRIED FORWARD</b>					<b>33270</b>	<b>36342</b>	<b>10223</b>		<b>11365</b>
139		<b>Less RHCA Balance</b>					-8502				

	A	B	C	D	E	F	G	H	I	J	K
140							24768				
141											
142		RHCA INCOME AND EXPENDITURE ACCOUNT									
143											
144									ESTIMATE	ACTUAL	ESTIMATE
145									2019/20	END JULY	2020/21
146									FROM OCT	2019	
147									2018		
148									£	£	£
149											
150		Subs Received Nov 2018 to 31st March 2019									
151		In respect of 2018/19 Financial year							2148.99	2148.99	
152		In respect of 2019/20 Financial Year							6353.17	9594.71	
153		Subs Receivable 1st April 2019 to 3st December 2019							8218	6537.34	23000.00
154		Subs Receivable in Pipeline							2208		
155		TOTAL DUE TO DATE							18928.16	18281.04	
156		ADDITIONAL INCOME NEEDED TO MATCH EXP							8837.84		4766.00
157									27766.00		27766.00
158											
159		LESS EXPENDITURE									
160		RSN Management Fee							-17766.00		-17766.00
161		RSN Share of Fee Income over Management Costs							-5000.00		-5000.00
162		RHCA Share of Fee Income over Management Costs							-5000.00		-5000.00
163									-27766.00		-27766.00
164											



## **GOVERNMENT RESPONSE TO THE HOUSE OF LORDS SELECT COMMITTEE ON THE RURAL ECONOMY: RURAL SERVICES NETWORK COMMENTARY**

In late June the Government gave its response to the report of the House of Lords Select Committee on the Rural Economy (April 2019). This note provides a commentary on that response from the perspective of the Rural Services Network (RSN). It does not comment on every part of the Government's response, but focuses on those elements likely to be of most interest to the RSN and its membership.

The RSN's initial reaction to the Government response was set out in a press release published on 5<sup>th</sup> July 2019, the text of which is repeated here:

### **PRESS RELEASE: Government response to the report of the House of Lords Select Committee**

Graham Biggs, Chief Executive of The Rural Services Network (RSN) said: "It is deeply disappointing that the Government has rejected the Lords Rural Economy Committee's recommendation for a comprehensive Rural Strategy to ensure the health of Britain's rural areas, despite the wealth of evidence in that Report to support the recommendation."

"If everything was as rosy as the Government's response seems to suggest then those who gave evidence to the Committee would not have said what they did. To suggest that if you have rural proofing a Rural Strategy is not needed and to suggest that a Strategy could be a strait jacket completely misses the point and misrepresents the purpose of a Rural Strategy."

"While we welcome the Government's commitment to expand on its strategic vision for rural areas, overall the failure to implement a Rural Strategy constitutes a worrying missed opportunity and risks a continuation of the status quo. We need to see how this strategic vision is to be introduced and whether or not it has SMART targets to be able to monitor its delivery."

"We support the Government's commitment to set out cross-departmental measures to ensure rural areas can thrive, but if these are to succeed it is absolutely essential that the current inadequate piecemeal method of delivery and 'rural proofing' of policymaking is entirely overhauled."

"A robust, open and accountable rural proofing framework must be established to sit across all Government departments to ensure that the needs of rural residents are considered and met by all, from the Treasury to the Department for Transport."

"Yet again the Government's attitude towards rural communities has left them feeling frustrated and ignored. The new Prime Minister must make good on promises to protect and encourage a valuable and significant proportion of the UK."

"The RSN will continue pressing the case for a comprehensive, funded cross-departmental Rural Strategy – backed up by robust rural proofing and it's sure that its many supporters will also do so. This is the start of the journey and definitely not the end".

A more detailed commentary on the Government response follows and is set out in the series of tables below.

### Report chapter: Public policy and the rural economy

<p><i>House of Lords recommendation:</i> Government should develop a comprehensive Rural Strategy</p>
<p><i>Government response:</i> “Over the coming months, the government will expand on its strategic vision and set out how, working across departments and working with stakeholders, it is putting in place a range of measures to ensure that rural areas continue to thrive. This vision is framed in terms of desired outcomes for rural areas which respect their diversity and recognise that success - in terms of quality of life and economic prosperity - and will need different approaches in different parts of the country.”</p> <p>“The government agrees with the Committee that those living and working in rural areas can face particular challenges stemming, for example, from relatively poor infrastructure and the additional cost of delivering services in sparsely populated areas. Without doubt, these distinct characteristics must be recognised in policy making and the government believes that rural proofing is the best means to achieve that through embedding an appreciation of rural issues at all levels of delivery, rather than risk rural areas being placed in a silo through having a single rural strategy.”</p>
<p><b>RSN commentary:</b> This is disappointing and shows not only a lack of Government ambition for rural communities, but also a lack of appreciation how strongly rural communities feel disconnected from Government policy making.</p> <p>It implies the current approach to rural policy will broadly continue, with rural proofing applied in a fairly ad hoc and uncoordinated manner, instead of adopting the suggested strategic and cross-Government approach to maximise opportunities for rural communities and for the nation as a whole.</p> <p>There is a considerable difference between a strategy (defined as ‘a long term plan for success’) and a vision (defined as ‘a vivid mental image produced by the imagination’).</p> <p>The response badly misrepresents proposals for a Rural Strategy, as placing rural areas in a silo and being at odds with rural proofing. Rather, a Rural Strategy should be a cross-Whitehall document (not just owned by Defra). Rural proofing ought to be an integral part of delivering and monitoring such a strategy. These points were clearly evidenced and made in the House of Lords report and the RSN’s ‘call’ document.</p> <p>Calling for a Rural Strategy to be produced is not a hang-up on words. We agree it is results on the ground that matter. A strategy would offer a clear framework for Government to guide local action. The risk is that a rural vision will be little more than ‘motherhood and apple pie’.</p> <p>Rural areas play an important role within national life and hold real opportunities to address some of the major challenges, such as climate change and the switch to zero carbon, and improving mental health and wellbeing. A Rural Strategy could ensure such opportunities are not wasted.</p>

Nonetheless, RSN – like other rural interest groups – is willing to work with Government to develop its strategic vision and a range of measures. If the vision and measures are meaningful, transparent and accountable (with SMART targets) they should at least deliver some of what would have been possible through a Rural Strategy.

*House of Lords recommendation:*

Local government and LEPs should produce local rural strategies

*Government response:*

“The government believes that local authorities are best placed to decide whether they should prepare strategies to support rural businesses and communities within their geographies. There are good examples where some have done so but local authorities are accountable to their own electorates and should decide their own priorities.”

“The government believes it is better to make sure the needs, challenges and opportunities of rural businesses and communities are properly considered in Local Industrial Strategies rather than to compel Local Enterprise Partnerships (LEPs) to produce separate rural economic strategies. As part of their evidence gathering, LEPs should be looking across their whole geographies and consulting rural businesses. Through the annual review process, LEPs will be accountable for delivery of their local industrial strategy.”

**RSN commentary:**

Whilst it may not require separate rural economic strategy documents, LEPs with rural areas should at least set out specific rural needs (based on evidence about them), as well as rural actions that have SMART targets for meeting those needs within their Local Industrial Strategies. It will not be sufficient for LEPs simply to look across their whole geographies, which will generally mask rural needs. Similarly, LEP annual review documents should include specific reporting on their actions and expenditure in rural areas, otherwise their rural delivery will continue to be opaque and unaccounted for. The poor rural track record of many LEPs makes this important, so they can demonstrate progress to their rural communities.

*House of Lords recommendation:*

Government should reform the rural proofing process to address weaknesses

*Government response:*

“The government accepts, however, that more can be done. It wants departments to see rural proofing as an essential and indeed positive tool for making sure the intended policy outcomes can be understood and delivered successfully in a rural context. Rural proofing should not be seen simply as a question of identifying potential negative impacts but rather as an opportunity to tailor policy so it is delivered as effectively as possible in rural areas.”

“The government will therefore work to develop and promote a greater understanding across departments of the opportunities and challenges in rural areas through a recently established network of departmental rural proofing leads; revise rural proofing guidance and develop other supporting resources to help develop policy outcomes that work in rural areas; and encourage greater engagement with stakeholders in the rural proofing process. To support these activities and improve transparency Defra will establish a Rural Affairs Board to support and steer work on rural proofing.”

“The government notes the Committee’s comments on transparency and accountability. Defra will therefore publish each year an evidence-based report on rural proofing.”

***RSN commentary:***

The Government’s response goes some way to addressing the concerns with rural proofing which have been highlighted by the RSN, including its patchy (and often late) application, a lack of rural stakeholder involvement in the process and limited transparency about the proofing work Departments carry out. The RSN welcomes the decision to produce an annual report on rural proofing, which all relevant Departments must contribute towards. The RSN will be pleased if it and other rural stakeholders are consulted by Departments more often.

Rural interest groups, including the RSN, should have an ongoing involvement with the proposed Rural Affairs Board. If this is an internal (Whitehall) Board, with only occasional input from external interests, it will not improve transparency and will be poorly received. The Board should have an independent chair (or a joint Defra and independent chair).

## Report chapter: Rural delivery and place-based approaches

***House of Lords recommendation:***

Create a dedicated rural funding stream within the UK Shared Prosperity Fund

***Government response:***

“The UK Shared Prosperity Fund will be a domestic programme of investment to tackle inequality between communities by raising productivity. It will invest in the foundations of productivity as set out in the government’s Industrial Strategy to support people to benefit from economic prosperity, especially in those parts of the UK whose economies are furthest behind. The government recognises that places across the country possess their own strengths, opportunities and challenges, and this should be reflected in the approach to investment. The UK Shared Prosperity Fund will allocate funding to those places with the greatest need. Final decisions are due to be made following Spending Review.”

***RSN commentary:***

This fails to make a much-needed rural commitment about rural areas receiving a fair share of the Shared Prosperity Fund and it is hoped such a commitment will be forthcoming after the Spending Review.

The Government reference to allocating the Fund to areas with the greatest need is a major concern. It implies fewer rural areas will benefit than has been the case under the LEADER programme. It also raises a crucial question about the basis for measuring areas of need, since traditional measures (like the Index of Multiple Deprivation) highlight urban patterns of need, but overlook more scattered rural needs. A ‘most bangs for the buck’ approach, which was applied to funding streams in the past, lets rural areas down badly. The RSN – like the Select Committee – believes it is best addressed by having a dedicated rural programme.

***House of Lords recommendation:***

When producing Local Industrial Strategies LEPs should adopt rural economic strategies

***Government response:***

“The government believes it is better to make sure the needs, challenges and opportunities of rural businesses and communities are properly considered in Local Industrial Strategies than to compel LEPs to produce separate rural economic strategies. As part of their evidence gathering, LEPs should be looking across their whole geographies and consulting rural businesses. The government, however, notes that some LEPs such as SELEP have already published strategies for their rural economy and it welcomes these locally taken initiatives.”

“The implementation of Local Industrial Strategies, and therefore any local ambitions relating to the rural economy, will be considered in LEPs’ future Annual Performance Reviews.”

***RSN commentary:***

The Government’s response seems to misread the Select Committee’s recommendation, which says that rural economic strategies could either be separate from or included within Local Industrial Strategies. We are pleased that LEPs “should be” looking across the whole of their geographies and consulting rural businesses, but believe this should be a firmer expectation (indeed, a requirement) of them. It is similarly vital – not least given past performance in rural areas – that LEPs include rural-specific information about their expenditure and activities within their Annual Performance Reports. If LEP rural delivery remains opaque they should be compelled to do so, to provide proper accountability and transparency about the use of public funds.

***House of Lords recommendation:***

LEP Boards should include a ‘rural champion’: wider engagement should be achieved by establishing rural sub-groups

***Government response:***

“It is clear government policy, set out in Strengthened Local Enterprise Partnerships, that LEPs should seek to represent the interests of their communities by engaging small and medium sized business leaders as well as larger firms, and they should draw from a more diverse representation of sectors and all parts of their geography. The government expects LEPs to create more inclusive economies by improving productivity across their areas to benefit all people and communities.”

“The government wants LEPs to be truly business led. It therefore set out in Strengthened Local Enterprise Partnerships its aspiration that Local Enterprise Partnerships should work towards strengthening representation from the private sector so that it forms at least two-thirds of the board. There is also a requirement for LEPs to be chaired by a business leader. As a consequence, the proportion of local authority leaders on LEP boards will necessarily reduce.”

***RSN commentary:***

Although broad representation on LEP Boards is welcome, this is not the same as ensuring someone on a Board has a particular role to champion rural needs and backing to fulfil that role. The policy to streamline LEP Boards and make them business-led is precisely the reason why rural sub-groups or similar would be so valuable. It would ensure that those representing rural areas or interests still have real voice and input to the process. The new governance arrangements for LEPs risk leaving rural communities and businesses poorly represented.

**House of Lords recommendation:**

Local government funding allocations should adequately compensate rural authorities for extra service delivery costs

**Government response:**

“The government is undertaking a review of local authorities’ relative needs and resources to address concerns about the fairness of current funding distributions. In its recent consultation, MHCLG proposed to capture consistently variations in the cost of delivering services, including those caused by rurality, by introducing a new Area Cost Adjustment methodology. The proposed Area Cost Adjustment recognises that local authorities with longer journey times (as a result of traffic congestion, longer distances or poor transport links) may have employees who experience relatively longer periods of ‘down time’ and may have to pay their staff for more hours in order to deliver an equivalent level of service. Local authorities which are more remote may also have variation in the cost of some inputs due to the size of local markets or isolation from major markets.”

“MHCLG has identified two robust and evidence-led measures to account for the additional costs associated with accessibility and remoteness, based on the methodology used by the Department for Transport (DfT) to produce statistics on journey times to key services. This approach is being developed in collaboration with representatives of the sector.”

**RSN commentary:**

We welcome the work of the Government’s Fair Funding Review, which – after decades of under-funding – it is hoped will lead to an improved allocation of resources among principal local authorities. In rural areas there are often substantial extra costs associated with lost economies of scale, needing to travel further to deliver services and having to maintain more service outlets (to ensure they are accessible). It cannot be right that predominantly urban authorities receive 66% more funding per head from Government than predominantly rural authorities, leaving rural residents to pay significantly higher Council Tax bills whilst receiving fewer services.

**House of Lords recommendation:**

Plans to fund local government from 75% Business Rates Retention must be rural proofed, given the scope for rural growth and rural businesses eligible for rate relief

**Government response:**

“The business rates retention system will continue to allow all types of authority to benefit from growth in their local economies. Local authorities estimate that in 2019/20 they will keep around £2.5 billion in business rates growth which includes rural areas. The government is committed to ensuring all local authorities are incentivised to grow their business rates which will continue to be an objective under potential reforms to the business rates retention system.”

“No decisions have yet been made on the way business rate reliefs will be reflected in the design of the reformed business rates retention system. The government is continuing to engage with the sector as a whole to ensure that the reformed system responds to the needs of all local authorities.”

“The government will be taking into account all authority types when moving to 75 per cent business rates retention. The opportunity to pilot has been offered to all areas of England and successful pilot applications have covered a wide range of different types of authorities,

including many rural authorities, to test out how the policy will be delivered. MHCLG plans to continue to work closely with all local authorities included in the pilot programme to inform its policy development.”

***RSN commentary:***

Some rural local authorities represent areas where there is less scope for economic growth, given their location, infrastructure, demography and protected landscapes.

The proposed retention by local authorities of business rates growth between resets of the baseline is likely to disadvantage many rural authorities compared with their urban counterparts.

Rate relief can prove a lifeline for many small or marginal rural businesses. However, central Government should fully fund those reliefs so that rural authority budgets are not further and unfairly squeezed: authorities should not be penalised for having businesses that are eligible for rate relief. It is crucial that MHCLG learns any distinct rural lessons from the pilots.

***House of Lords recommendation:***

Local authorities’ ability to engage with economic growth is constrained by budget cuts

***Government response:***

“The government welcomes local authorities’ contributions to the development of Local Industrial Strategies through their involvement in LEPs and mayoral combined authorities.”

“Core spending power is forecast to increase from £45.1 billion in 2018/19 to £46.4 billion in 2019/20, a cash increase of 2.8 per cent and a real-terms increase in 13 resources available to local authorities. This is the final year of a multi-year settlement deal – worth over £200 billion in the five years to 2020 – that was accepted by 97 per cent of councils in return for publishing efficiency plans. The settlement includes extra funding for local services, with a strong focus on supporting some of the most vulnerable groups, whilst supporting and rewarding local economic growth.”

***RSN commentary:***

Local authorities have experienced almost a decade of spending cuts, leaving them with very limited scope to undertake (non statutory) economic development activity. The situation is particularly difficult for predominantly rural authorities, who have historically received less Government funding than urban authorities and who, as a consequence, provided fewer services in the first place.

***House of Lords recommendation:***

Government should create a Community Capacity Fund to support voluntary action and enhance community leadership

***Government response:***

“The Civil Society Strategy set out a vision of how the government could help strengthen and support civil society in England, recognising the key role which volunteers play in many aspects of community life. This included its intention to work with partners to develop new models of community funding which would bring together different forms of funding, such as social impact investment, charitable funding, and corporate investment. These models

could potentially address the issues for which the Committee has proposed a Community Capacity Fund.”

“The government notes the Committee’s view, on page 10 of its report, that “The Shared Prosperity Fund should incorporate a Community Capacity Fund, which should be used to build capabilities and support community leaders in promoting engagement”. The government has confirmed it will consult widely on the design and priorities of the UK Shared Prosperity Fund. This will provide an opportunity for all interested parties, including rural communities, to provide their views on the Fund directly to government. Final decisions are due to be made following Spending Review.”

***RSN commentary:***

If rural communities are to play a growing role in service delivery and asset management it is important they are properly supported with advice, training and the like. Voluntary action may be low cost, but it still requires seed corn funding and in some cases larger grants e.g. when purchasing assets. Sufficient funding needs to be available to back up the vision in the Civil Society Strategy.

***House of Lords recommendation:***

Government should not pursue its suggestion of imposing a referendum threshold on parish/town councils for increases to their precept

***Government response:***

“No referendum principles have been set to date for town and parish council precepts, but the government has been clear that it expects the sector to take all available steps to mitigate the need for council tax increases. The Secretary of State for Housing, Communities and Local Government sets thresholds annually as part of the Local Government Finance Settlement process and reserves the right to consider principles for town and parish council precepts in future years in light of all relevant circumstances, including increases set in previous years.”

***RSN commentary:***

Government needs to get real. It wants to see more active parish and town councils. Furthermore, many of those councils are having to step in to take on services or assets previously run by principal authorities – something the latter can no longer afford to do, due to Government imposed funding cuts. The threat to cap precept increases should be dropped forthwith. If local voters feel strongly about such increases they can make their views known at the ballot box.

## Report chapter: Digital connectivity

***House of Lords recommendation:***

Ofcom should strengthen the rural obligations placed on new (700 MHz) mobile licences

***Government response:***

“The spectrum auction design and its obligations are a matter for Ofcom as the independent regulator. The government supports the inclusion of coverage obligations in the proposals for the 700 MHz and 3.6-3.8 GHz spectrum auctions, and is committed to working with



Ofcom and the mobile industry to meet the manifesto commitment of ensuring 95 per cent geographic coverage across the UK.”

“The current proposals represent Ofcom’s judgment as to the most ambitious coverage obligations that are consistent with a successful auction. Ofcom has successfully monitored previous coverage obligations for voice coverage and verified that mobile network operators have complied with the requirements of their licences.”

***RSN commentary:***

Ofcom’s revised rural obligations are a step backwards from its earlier proposals. It is disappointing to see that more weight was given to the views of network operators than to the views of rural communities and businesses. Ofcom’s own statistics show that rural coverage for 4G networks is poor. It needs to be improved significantly and quickly.

***House of Lords recommendation:***

The Broadband USO is set too low and should be reviewed before implementation

***Government response:***

“The government is committed to keeping the USO specification under review to ensure that it keeps pace with consumers’ needs as they evolve over time. The Digital Economy Act 2017 provides discretion for government to direct Ofcom to undertake a review at any time but there is a formal requirement for the government to direct Ofcom to undertake a review when superfast broadband has been taken up by 75 per cent of premises. Any review would look not only at the minimum download speed but at all aspects of the USO specification.”

“The government does not agree that an immediate review (before the USO is implemented in early 2020) is necessary. It is possible that consumers connected under the current USO will receive higher than the minimum specification. A decision on when to review the USO will be taken in the light of market developments. We will consider the best timing for this after the USO is implemented.”

***RSN commentary:***

A USO (set at 10 Mbps download speeds) is clearly looking out-of-date, as consumer applications use ever more bandwidth. Many rural businesses are home-based and there is significant home working. Even if 10Mbps meets most domestic needs, it is inadequate for business needs. Reviewing the USO after its 2020 implementation implies that it will not be upgraded for at least another two years. This is a missed opportunity.

The network provider chosen to deliver USO requests should be required to connect with nearby available fibre networks, where they exist or are shortly to exist, so that solutions are the best available (and are not just over the 10 Mbps threshold, which will soon need upgrading again, representing poor value for money).

***House of Lords recommendation:***

Ofcom should encourage mast sharing and review roaming, to aid mobile network coverage

***Government response:***

“Improving mobile coverage in rural areas is a priority for government. The government has introduced a range of permitted development rights to support the delivery of mobile

infrastructure, including legislating for higher masts in 2016, making it easier for industry to roll out or share masts whilst also protecting local amenity. Sharing of sites and network infrastructure, such as masts and antennas, can make the deployment of mobile networks more cost effective. Infrastructure sharing is largely a commercial agreement between operators.”

“Roaming in rural areas has the potential to improve consumer choice and could be a solution for the problem of “partial not-spots” (where one or more operators are present, but all four are not). Ofcom published a preliminary analysis of roaming in September 2018. The government is carefully considering this advice alongside other options.”

***RSN commentary:***

Whilst the Government response indicates an open mind to both mobile mast sharing and roaming, it also indicates a rather passive stance and a reluctance to push these potential rural solutions. We recognise, however, that the industry is, itself, now proposing some progress (albeit this will need proper Ofcom oversight to ensure it happens in a transparent way).

***House of Lords recommendation:***

Local and national government should take actions to boost digital skills in rural SMEs

***Government response:***

“The government recognises the importance of improving digital skills in rural areas. Measures such as the digital skills entitlement and apprenticeships in the digital sector need to be part of a wider solution to meet the skills and productivity challenges faced by rural businesses.”

“Last year saw the launch of the first three local digital skills partnerships covering the LEP and combined authority areas of Lancashire, Heart of the South West and the West Midlands. Three Local Digital Skills Partnerships have recently been launched in Cornwall and the Isles of Scilly, Cheshire & Warrington and the South East, taking these trailblazer partnerships to a total of six regions covering a population of more than ten million people.”

“The trailblazer Digital Skills Partnerships are committed to sharing data, tools and best practice with other regions, all of which will be fed into the local Digital Skills Partnerships Roadmap; a central guide and resource being developed over the Summer of 2019 for all LEPs and combined authorities to use.”

***RSN commentary:***

The formation of Local Digital Skills Partnerships is to be broadly welcomed. Research has shown that digital skills training needs to be more accessible to rural micro-businesses and sole traders, whilst workforce digital skills are a constraint for many larger rural SMEs. Tackling these issues will boost latent rural productivity and urgent action is required.

## Report chapter: Housing, planning and work spaces

***House of Lords recommendation:***

Government should ensure new rural homes are built to the Lifetimes Homes Standard and Local Plans should allocate sufficient housing for older people

**Government response:**

“The government agrees that providing homes for older people living in rural areas is an important objective. The revised National Planning Policy Framework, published in July 2018, makes clear that the housing needs of all groups ... should be planned for. It also expects local planning authorities to use the government’s optional technical standards for accessible and adaptable housing, where this would address an identified need for such properties. This is broadly equivalent to the Lifetime Homes standard. MHCLG will be publishing new planning guidance to help councils put these policies in place.”

**RSN commentary:**

Government should work with local authorities, housing associations and the house building industry so that many more homes get built to the Lifetime Homes Standard. This is a more efficient approach than having to adapt homes later. The issue is particularly important for rural areas with their ageing populations.

**House of Lords recommendation:**

Government should remove all rural areas from the policy exempting small development sites from affordable housing provision

**Government response:**

“As the Committee heard, it is important to strike a balance between meeting affordable housing needs in rural areas and not undermining the viability of building homes. The revised National Planning Policy Framework allows authorities in 27 designated rural areas to set a reduced threshold for affordable housing contributions so that contributions may be secured from schemes of five units or fewer, where it can be shown that it is viable to do so.”

“The Framework also allows new entry-level exception sites to come forward in rural areas generally as a further means of providing affordable homes (and as an addition to the pre-existing policy supporting the creation of rural exception sites in appropriate circumstances). The government has committed to monitoring the impact of this policy in rural areas.”

**RSN commentary:**

The Government response is disappointing. A large proportion of village development sites have fewer than 10 dwellings and so are being impacted by this policy measure. There is considerable evidence that the small sites exemption policy is having a significant negative impact on the supply of affordable housing in rural areas.

By contrast, there is no known credible evidence which shows that requiring a quota of affordable housing (as was the case in the past) undermined housing development in rural areas. Indeed, many small scale developers say that their cash flow is (helpfully) more certain when some homes are going to Registered Social Landlords.

Affordable housing quotas should be allowed on all development sites at small rural settlements (or local authorities, who understand local needs, should be given discretion to require such quotas in their Local Plan areas). On site affordable housing contributions are essential, since off site financial contributions too frequently end up being used for housing some distance away, given a lack of site options in small rural settlements.

**House of Lords recommendation:**

Homes England should restore its rural housing target and issue grants that reflect high rural development costs

**Government response:**

“The agency works alongside key strategic partners in the affordable housing sector to best enable them to deliver effectively across the country, in cities, towns, and rural areas. Through the Shared Ownership and Affordable Homes Programme, Homes England works with a variety of partners to provide grant funding for the development of affordable housing in rural areas. Bids are mainly assessed on a scheme by scheme basis, details of which are provided in the Shared Ownership and Affordable Homes Programme Prospectus.”

“Homes England has recently entered into strategic partnerships with some of the largest Housing Associations in order to manage its development programmes on a portfolio approach. All bids are assessed on value for money and on grant per home. Homes England recognises that scheme costs or the resources available to bidders will vary. There may be occasional instances where higher grant levels are required to facilitate the development and make homes affordable to prospective purchasers. Homes England will work with providers to ensure that, where more grant is required, a robust case can be presented to support approval.”

**RSN commentary:**

A specific rural target and grants programme – which used to exist – is certainly required, targeted at smaller settlements, to reflect the level of affordable housing need in villages and the challenge delivering at those locations. It is disappointing this is not acknowledged in the programme structure of Homes England. We are aware that Homes England now offers a somewhat more flexible approach to grant levels, which is positive, though the agency’s application of this approach seems rather uneven across its operating areas. Higher development costs remain a frequent issue at small rural sites.

**House of Lords recommendation:**

Government should consider taxation reforms to incentivise land for rural exception sites

**Government response:**

“The government does not currently have plans to grant tax reliefs such as full Capital Gains Tax relief for land sales to Rural Exception Sites. Tax reliefs have an Exchequer cost, and the government considers that the extent to which such reliefs would incentivise the sale of land to Rural Exception Sites is uncertain.”

**RSN commentary:**

A more positive signal from Government would help, at least indicating its willingness to explore whether tax reliefs (to incentivise rural landowners to release more land for affordable housing) could work cost effectively and to test the uncertainty that is referred to. Rural exception sites are an important means for bringing forward affordable housing development in small settlements and they have potential to achieve more.

**House of Lords recommendation:**

Government should establish an inquiry to examine fundamental issues around rural land value increases arising from planning permissions

**Government response:**

“The Housing, Communities and Local Government Select Committee recently held an inquiry into land value capture and the government responded on 29 November 2018. The government recognises there is scope for central and local government to claim a greater proportion of land value and is committed to using existing mechanisms of land value capture as effectively as possible.”

“The government has already introduced major reforms to the National Planning Policy Framework to help local authorities capture land value for affordable housing and infrastructure. The government is also bringing forward further reforms to the Community Infrastructure Levy and Section 106. The government has committed to report back to the Housing, Communities and Local Government Select Committee on progress with the reforms by the end of 2019.”

**RSN commentary:**

We look forward to reading the Government’s progress report on its current reforms, though they seem rather modest in relation to the scale and fundamental nature of the issue raised by the Select Committee report.

**House of Lords recommendation:**

Government funding for Community Land Trusts should be consolidated for the longer term

**Government response:**

“The government notes the Committee’s views in relation to the Community Housing Fund which is currently scheduled to close in March 2020. It will consider carefully all proposals to extend the scheme beyond March 2020 but decisions on funding for 2020/21 onwards are a matter for the next Spending Review.”

**RSN commentary:**

Short term funding is not helpful when community-led housing projects can take years to be delivered. It is to be hoped that funding beyond 2020 is announced soon to provide some certainty. This should include a dedicated sum allocated for rural projects, thus meeting the original objective for the Community Housing Fund.

**House of Lords recommendation:**

The Right to Buy, which has depleted the rural affordable housing stock, should be suspended or made voluntary in specific locations

**Government response:**

“Where homes in rural areas are sold under the Right to Buy, in designated rural areas, landlords can impose a covenant to ensure that they can be resold only to someone who lives or works in the local area. Following the reinvigoration of the Right to Buy in 2012, local authorities were able for the first time to use receipts from additional sales for new affordable housing.”

“The government does not disaggregate the data for Right to Buy sales and replacements by rural area. Over 140,000 affordable homes, however, have been provided in rural local authorities in England since April 2010 while, since 2015, over 10 per cent of additional affordable homes have been delivered in settlements with a population of fewer than 3,000.

Furthermore, Homes England has dedicated rural housing champions in each of its operating areas, who work actively across the rural housing sector.”

***RSN commentary:***

The policy changes referred to above amount to modest steps in the right direction. However, figures show that in rural areas for every 8 homes sold under the Right to Buy only 1 replacement home is built. Local housing authorities should be able to retain 100% of the proceeds from Right to Buy sales, enabling them to reinvest in and replenish their areas’ affordable housing stock.

***House of Lords recommendation:***

Delay implementing the Housing Association Right to Buy in rural areas until it is clear how replacement properties will be built in the same locality

***Government response:***

“The Voluntary Right to Buy is currently being tested through the Midlands Pilot, including the replacement of the properties sold. Housing associations have the discretion to choose not to sell properties in rural areas. A full evaluation of the pilot will be published in autumn 2020 after the pilot concludes.”

***RSN commentary:***

We await the evaluation, but agree that rural implementation should only be considered after the mechanism is clear to ensure the local replacement of sold properties. If housing association stock is simply lost from rural settlements the already difficult situation on affordability will worsen considerably.

***House of Lords recommendation:***

National planning guidance should be strengthened to stop planning authorities designating some villages as ‘unsustainable communities’ for development

***Government response:***

“The government welcomes the Committee’s recognition of the support which the revised National Planning Policy Framework offers to the rural economy and housing. The Framework already makes clear that policies should identify opportunities for villages to grow and thrive, especially where this will support local services. As rural areas vary considerably in character, the government believes that local planning authorities and communities are best placed to decide how to reflect this in their local and neighbourhood plans.”

***RSN commentary:***

Designating villages as unsuitable for development is not considered to be good practice. However, the Government’s response is supported and policy wording should be for local planning authorities to decide based on their local knowledge.

**Report chapter: Access to skills and business support**

***House of Lords recommendation:***

The Business Productivity Review should be rural proofed

**Government response:**

“The Business Productivity Review will benefit small firms wherever they are based and because the proportion of small firms is higher in rural areas, it should have greater impact in these. Through the Business Productivity Review, the government has explored what actions could be most effective in improving the productivity and growth of businesses, including how to spread best practice of our most productive firms to those in the long tail.”

“There appears to be more variation between individual businesses, rather than between, regions, sectors, and sizes. This and the untapped productivity potential amongst large parts of the UK business population further underpins the rationale for focusing specifically on firm-level factors. £56 million was announced at Budget to deliver some of the actions of the Business Productivity Review. This includes £11 million for the Small Business Leadership programme, £20 million to strengthen sectoral networks, and £25 million for Knowledge Transfer Partnerships. These initiatives will be accessible to all businesses in both urban and rural areas. The full report will be published in due course.”

**RSN commentary:**

While it may be true that the main variation in productivity is that between individual firms, this does not mean that the need to rural proof policy development becomes irrelevant. How the policy initiatives resulting from this review are made accessible to rural based businesses requires specific consideration to ensure that they benefit.

**House of Lords recommendation:**

Local co-operation is needed to improve rural provision of public transport to educational institutions

**Government response:**

“DfT encourages education institutions, local authorities and bus service providers to cooperate on exploring public transport solutions for getting students to local education institutions through the Total Transport principles. These principles involve integrating the transport services provided by different operators and require all transport operators to work together to maximise the transport opportunities provided to passengers in their areas.”

“As far as compulsory education is concerned, all local authorities have a statutory duty to provide free home to school travel for eligible pupils together with a discretionary power to provide free home to school travel for children who do not have a statutory eligibility. It is for the local authority to decide how to meet this duty. The local authority might, for example, provide a dedicated school bus, a taxi, or a pass to travel on a public service bus.”

“The national guidance for the 16 to 19 Bursary Fund recommends that education providers work with other local institutions and the local authority to agree a common approach where appropriate and this would include discussions around transport solutions. It enables them to make decisions and arrangements which best match local needs and circumstances.”

“DfE and DfT are currently preparing a joint proposal for discounted public transport for apprentices. They are keen to work with stakeholders to address how we can best ensure that young people are not deterred from taking up apprenticeship opportunities due to travel costs.”

**RSN commentary:**

This response fails to address the central issue. It has become compulsory for young people aged 16 to 18 to attend education or training of some sort. However, statutory free travel (funded by Government) is still only for those aged up to 16. The two policies are now misaligned. Rural local authorities, following massive cuts to their budgets, simply cannot generally afford to offer non-statutory free or discounted travel for 16 to 18-year olds, however much they might wish to do so. The contrast with London and many urban centres is stark. Government should raise the statutory age for free travel to education or training to 18 and should fully fund this policy change.

The proposal referred to, for discounted travel on public transport for apprentices, is welcome in principle, although many rural apprentices will not have a public transport option available to them.

***House of Lords recommendation:***

Government should seek long term funding and more comprehensive coverage for Wheels to Work schemes

***Government response:***

“The government agrees that independent schemes such as Wheels to Work can play an important part in the transport mix for people – especially young people – living in rural areas by helping those who might otherwise be restricted from accessing work or training opportunities by the lack of personal transport. The government welcomes the recent launch of 'Wheels 2 Work UK' (W2W UK), a charitable company set up on 1 April 2019 to award grants to support the development of a national network of sustainable Wheels to Work schemes.”

***RSN commentary:***

The evolution of the (previous and folded) Wheels 2 Work Association to become a new charity with ambitions for more comprehensive coverage of W2W schemes is welcome. We look forward to hearing more about its work plans and the grant support it can offer, as soon as that information becomes available.

***House of Lords recommendation:***

Skills Advisory Panels must better coordinate the skills system and LEP Local Industrial Strategies should include a focus on rural skills

***Government response:***

“The influence of Skills Advisory Panels will be strengthened by providing a high quality analysis of local labour markets and skills needs across the country. In December last year, the Education Secretary announced funding of £75,000 to support each Skills Advisory Panel to build its analytical capability. This funding has now been allocated to all LEPs and mayoral combined authorities. Skills Advisory Panels are important players to ensure Local Industrial Strategies reflect the skills needs of their area. Their analysis will support those strategies and they will promote interventions to provide the skilled labour force local employers need. Individuals can access help to meet the costs of participating in training.”

“The 16 to 19 Bursary Fund is allocated to schools, colleges and other education and training providers to support young people who are disadvantaged with the costs associated with attending education or training. The fund is often used to support travel costs. On 28 February 2019, DfE launched a consultation on the allocations methodology for the 16 to



19 Discretionary Bursary Fund, including seeking views on whether the methodology should incorporate a travel element, and if so, whether distance to travel and rurality should be included.”

***RSN commentary:***

The local Skills Advisory Panels have potential to bring real benefit. We hope their analyses will identify any particular labour market needs of rural based businesses and that, subsequently, these will be taken into account by their LEPs.

It is important that the Discretionary Bursary Fund takes account of the particular travel challenges faced by some rural students. Many face long or complex journeys, not to mention infrequent or non-existent transport services. Research shows that this constrains the study ambitions of some rural students, who cannot access their preferred courses.

***House of Lords recommendation:***

Government should review the impact of small business and rural rate relief on rural pubs, shops and other businesses

***Government response:***

“The government keeps all taxes and reliefs under review. Since Budget 2016, the government has introduced reforms and measures worth more than £13 billion to business over the next five years. This includes the switch to CPI indexation, worth almost £6 billion to all ratepayers, and a £435 million package of support announced at the 2017 Spring Budget for ratepayers facing the steepest rises in bills following the 2017 revaluation, on top of the £3.6 billion Transitional Relief scheme.”

“The £13 billion package also includes the retail discount announced by the Chancellor at the 2018 Budget that provides eligible retail businesses with a rateable value under £51,000 with a third off their business rates bill. This generous measure will provide support to many pubs, shops, and other retail businesses (including garden centres) in rural communities.”

***RSN commentary:***

We recognise that rate relief contributes to the viability of many small rural businesses. We also recognise that many businesses in rural town high streets need assistance. Measures to extend business rate relief are supported, though they must be fully funded by central Government. A local authority should not be penalised if its area contains a high proportion of eligible businesses.

***House of Lords recommendation:***

Government should review the availability and sustainability of ATMs in rural areas

***Government response:***

“The Payment Systems Regulator regulates LINK, the scheme which runs the UK’s ATM network, and is monitoring ATM market developments closely. The Regulator has used its powers to hold LINK to account over LINK’s public commitments to maintain the broad geographic spread of ATMs in the UK.”

“LINK has put in place specific arrangements to protect remote free-to-use ATMs one kilometre or further from the next nearest free-to-use ATM and has enhanced its Financial

Inclusion Programme by significantly boosting the funding available to ATMs in the most deprived areas of the UK.”

***RSN commentary:***

It is important that Government and its Payment Systems Regulator maintain a close oversight on this issue and intervene if necessary. Evidence indicates that the number of free-to-use ATMs has declined recently (including in rural areas), coinciding with a cut in the transaction payment that is received by the bank hosting the ATM. Access to cash is an issue of growing concern for both rural residents and businesses.

***House of Lords recommendation:***

Individual post offices should receive a realistic (higher) payment when handling cash withdrawal and deposit transactions on behalf of banks

***Government response:***

“Since its introduction, the Banking Framework has substantially increased basic banking volumes in Post Office branches, with an increase of 7 per cent for cash withdrawals and 22 per cent for cash deposits. This growth is set to continue, driven in part by continued bank closures. The Post Office has recently renegotiated Banking Framework 2, with the overall aim of rebalancing fees charged by the Post Office to banks to carry out banking transactions on their behalf. This was desirable not only for the long-term sustainability of banking services across the post office network, but also to ensure that any increase in revenues from banking services is adequately shared with postmasters. Banking Framework 2.0 will take effect from January 2020.”

“Under the new agreement the Post Office has agreed a significant increase to the fees that it will receive from the banks for processing transactions. The Post Office’s overall income through Banking Framework 2 will only increase further as transaction volumes continue to grow. The Post Office will double and, in some cases, treble the rate agents receive for deposits. It will pay the increased rates from October 2019, a quarter before the new Banking Framework is implemented, as a gesture of goodwill to postmasters. This will ensure that local businesses and communities can continue to access vital banking services in post office branches up and down the country for years to come.”

***RSN commentary:***

We welcome the new agreement (Banking Framework 2). It is important that Post Office Limited receives a realistic commercial fee for providing this service to the banks and it is crucial that a fair share of the fee is passed on to individual post offices. Those operating post offices deserve a sum which properly reflects the time and effort involved handling banking transactions. This will help ensure that the much-valued rural post office network is made more stable and sustainable.

***House of Lords recommendation:***

The UK Shared Prosperity Fund should provide a source of investment funding for rural businesses seeking to grow

***Government response:***

“The UK Shared Prosperity Fund will focus on the foundations of productivity, including the business environment.”

“The government recognises the importance of providing stakeholders with an opportunity to contribute their views on the UK Shared Prosperity Fund. As such, the government will publish a public consultation on the UK Shared Prosperity Fund. This will provide an opportunity for all interested parties, including rural communities, to provide their views on the Fund directly to the government. Final decisions are due to be made following Spending Review.”

***RSN commentary:***

The EU LEADER programme has clearly shown the value of providing grant funding to enable small rural businesses to grow and invest. Although programme management could undoubtedly be simplified, the evaluation was broadly positive about its impacts. That lesson should be taken forward by developing a similar grant fund facility in future from within the UK Shared Prosperity Fund.

***House of Lords recommendation:***

LEP Local Industrial Strategies should enable targeted support to rural businesses

***Government response:***

“LEPs and mayoral combined authorities can consider the provision of business support as part of the ‘business environment’ foundation of their Local Industrial Strategy. The government has encouraged places to focus in particular on how their Local Industrial Strategy will support firms in rural areas to:

- scale-up and grow through increasing take up of external finance; building capability to access domestic and international markets; building an innovation culture; accessing and retaining talent.
- improve firm level productivity.
- navigate and access business support available across the public and private sector.

Each LEP also runs a Growth Hub, which bring together national and local business support and make it accessible to all businesses in all areas.”

***RSN commentary:***

It is important that LEPs make particular effort to target rural businesses for support, recognising this may require some additional effort. The smallest businesses, away from population centres, can be hard to reach. Specific assistance should be put in place for support organisations which can advise rural entrepreneurs and SMEs. Those organisations need to be trusted by businesses and knowledgeable about the rural context.

## Report chapter: Delivering essential services at the local level

***House of Lords recommendation:***

Public funding cuts have had a significant impact on rural bus provision

***Government response:***

“Most public funding for local bus services is provided through a block grant to authorities in England from MHCLG. Ultimately it is for local authorities, working in partnership with their communities, to identify the right transport solutions that meet the challenges faced in their areas, and deliver the greatest benefits for their communities with the funding streams that are available to them. They are also encouraged to utilise the tools in the Bus Services Act 2017 to help improve rural bus services. These include the ability for local authorities

to work more effectively with bus operators through advanced quality partnerships or enhanced partnership schemes, and the potential to establish a system of franchising.”

“More broadly, as part of the 2018/19 local government finance settlement, the government responded to a number of councils’ concerns over rural services funding by increasing the Rural Services Delivery Grant to £81 million. The 2019/20 settlement maintained the Grant at the same increased level. This recognises the extra costs of providing services in rural communities.”

***RSN commentary:***

After years of budget cuts local authorities have had no option but to take difficult decisions about which public services to stop funding. Since they must continue funding statutory services, the impacts have inevitably fallen hardest on non-statutory provision such as subsidising uncommercial bus routes. The result has been measured by the Campaign for Better Transport, with hundreds of shire bus routes either withdrawn altogether or in some way scaled back.

The £81 million Rural Services Delivery Grant is, of course, welcome. However, it does not nearly compensate for the extra costs faced by rural local authorities across England and across the range of their service provision.

***House of Lords recommendation:***

Government should seek to develop a ‘single transport investment pot’, learning lessons from the Total Transport Pilots

***Government response:***

“In terms of funding, strategic policy making authorities are required to cooperate with each other and other bodies when preparing policies which address cross boundary strategic matters such as transport and should consider the distribution of funding streams as part of this. The National Planning Policy Framework also sets out that as part of the plan making process, authorities will need to work alongside infrastructure providers to identify infrastructure requirements, including for public transport and the opportunities for addressing these.”

“Total Transport involves integrating transport services currently commissioned by different central and local government agencies and provided by different operators. Total Transport has the potential to greatly improve the efficiency and delivery of road transport services to local people. It, however, requires all transport providers to work together to maximise the use of the vehicles so that more transport opportunities can be provided to passengers.”

***RSN commentary:***

There is undoubtedly scope to take forward lessons from the Total Transport Pilots, which sought to make better use of existing resources, not least by pooling vehicles used in different sectors e.g. education, social services and health. At the very least, Government should pump prime similar schemes to the Total Transport Pilots, providing an investment pot which is available to both local and health authorities.

***House of Lords recommendation:***

Clinical Commissioning Group (NHS) funding allocations should take account of extra service delivery costs in sparsely populated areas

**Government response:**

“NHS England is responsible for decisions on the weighted capitation formula used to allocate resources between Clinical Commissioning Groups (CCGs), a process that is independent of Government. NHS England take advice from the independent Advisory Committee on Resource Allocation, a group of academics and other experts. The allocation to each CCG is informed by the estimation of the relative health needs of local areas. Funding is based on a complex assessment of factors such as demography, morbidity, deprivation, and the unavoidable cost of providing services in different areas. Over the past two years, the Advisory Committee on Resource Allocation has been considering the evidence for any additional adjustments relating to the costs of providing healthcare in remote areas. Following this, the Committee has endorsed the introduction of a new community services formula that has the effect of better recognising needs in some rural, coastal and remote areas that on average tend to have much older populations. Further detail on the Advisory Committee’s findings and recommendations can be found in the note on this year’s allocations to CCGs published by NHS England.”

**RSN commentary:**

The NHS England publication on CCG allocations for 2019/20 describes the main change to the community services formula as giving more weight to age and deprivation profiles, which may benefit some rural areas with older populations. A further likely change to that formula next year, to account for travel time on home visits, could also prove beneficial.

At the same time we are disappointed that, more generally, NHS England cites a lack of usable, consistent evidence for making further allocation changes to reflect rural costs. We hope it will continue to seek out usable evidence and will involve the National Centre for Rural Health and Care.

The proportion of the population that is old or very old is significantly higher in rural than in urban areas. Since the number of older people is by far the largest driver of demand for NHS services, it seems odd that CCG allocations do not more obviously reflect this. The ACRA committee and NHS England should revisit the CCG allocation formula with a view to making it better reflect actual demand for NHS services in different areas.

**House of Lords recommendation:**

Further steps should be taken to improve rural access to health services through multi-use health centres and digital solutions

**Government response:**

“The NHS’s Long Term Plan commits to delivering fully integrated community-based health care. This will be supported through the ongoing training and development of multidisciplinary teams in primary and community hubs. All 42 Sustainability and Transformation Partnerships including those in rural areas, have produced local estates strategies for the first time setting out how they will transform their estate in support of delivering ambitions in the NHS’s Long Term Plan and benefitting patients.”

“In April 2018 NHS Digital published a digital inclusion guide for health and social care aimed at local health and care organisations to help them to take practical steps to support digital inclusion in their communities, including those in rural areas who are more likely to be digitally excluded. DHSC is working closely with the DCMS to ensure that health and care needs are taken into account in national digital infrastructure policy. Two test beds under

DCMS's 5G programme are focused on improving access, and the 5G programme itself will address rural connectivity."

***RSN commentary:***

It is important that the objective within the NHS Long Term Plan to create fully integrated community-based health care – which we support – is turned into reality and in ways that bring improved access to non-urgent health care for rural residents. Since many rural communities live far from a main hospital, they stand to benefit considerably if more services are available at local health centres or community hospitals.

Digital solutions (including telehealth) also have considerable potential in rural areas and there are some good examples of its application. If all rural NHS patients are to benefit, one requirement is urgently to address outstanding issues with rural digital connectivity.

***House of Lords recommendation:***

Government should introduce a rural cost adjustment into funding for mental health services

***Government response:***

"CCGs are responsible for ensuring adequate access to mental health services locally, including early interventions. Funding allocations to CCGs, including those covering rural areas, vary to meet the needs of local populations, including mental health need and the needs of remote or sparsely populated areas. These allocations are determined by a formula managed for the NHS by the independent Advisory Committee on Resource Allocation."

"The Advisory Committee is implementing a refreshed mental health and learning disabilities formula which takes account of available data and there are a range of adjustments made in the core CCG allocations formula to account for the fact that the costs of providing health care may vary between rural and urban areas."

"In 2017/18, all CCGs met the Mental Health Investment Standard, by which they must increase mental health investment by at least their overall increase in funding. CCGs are also best placed to decide on how this investment should be used to meet the mental health needs of their populations living in rural areas."

***RSN commentary:***

Changes being implemented to the mental health and learning disabilities element of the CCG allocations formula are to utilise newly available data. This is not a rural adjustment: some rural areas may gain and others may lose from the change. NHS England states that the highest funding allocations are made to large urban centres.

There is an urgent need to remedy the absence of any adjustment within the formula to cover extra service delivery costs in rural areas. An increased policy focus on mental health and wellbeing is welcome, but fair funding is needed for provision to rural communities.



## Report on the Priorities of the Rural Services Network

### Recommendation of the report

That the Executive consider the priorities of the Rural Services Network and adopt amended priorities which have been developed as part of the Rural Strategy campaign.

### Background

In March 2017 the Executive considered the strategic direction of the RSN and, following a revised Communication Strategy, adopted four overarching priority areas for the RSN.

- Public Sector Funding
- Barriers to Access
- Future of Rural Areas
- Health and Wellbeing

These have enabled the organisation to streamline its key messages to the press and helped to raise the profile of the organisation in relation to being more specific about its areas of work and focus. Rural Vulnerability was also recognised as a cross cutting theme throughout each of the priorities.

In March 2019, the RSN, launched its call on Government to develop a comprehensive, long term and funded Rural Strategy. This campaign also sets out 8 specific areas that the RSN believes the Government should include in a Rural Strategy.

### The Rural Strategy

The Template Rural Strategy Document which has been developed is an outline document, it is not a Rural Strategy in itself, but details the reasoning behind 8 key areas that the RSN believes should be included in a Government Strategy. However, rather than new developments, these 8 areas are the expanded version of the previous 4 priorities. They set out very clearly what it is the RSN is calling for, with very little need for further explanation.

In order to align the current focus of the RSN with the campaign for a Rural Strategy, it is recommended that the 8 areas are adopted as the RSN's priority areas – with Rural Vulnerability remaining as a cross-cutting theme throughout the priorities. This would mean therefore that the RSN campaigns and issues press commentary on these 8 areas but in practical terms, the work programme will not change significantly. The key messages issued by the RSN will be more coherent.

These 8 areas are:

- A thriving rural economy
- An affordable place to live
- A digitally connected countryside
- A place everyone can get around
- A place to learn and grow
- A rural proofed policy framework
- A fair deal on health and social care
- Fairer funding to address the local rural penalty

The benefit of setting out these 8 areas, is that they also include Rural Proofing, something not explicitly mentioned in the previous 4 priorities. A key part of the call from the RSN is for much more detailed, effective rural proofing, a point echoed by the House of Lords Select Committee on the Rural Economy. This is one area the Government have acknowledged they could improve on and by setting it out as a specific priority, emphasises its importance to not only the RSN, but the local authorities and member organisations that it aims to represent.



# Rural Services Network

## It's Time for a Rural Strategy



A thriving rural economy



A place everyone can get around



A fair deal on health and social care



An affordable place to live



A digitally connected countryside



Fairer funding to address the local rural penalty



A place to learn and grow



A rural proofed policy framework

9.4  
Million  
people



RURAL  
SERVICES  
NETWORK

17%  
Of the  
population





# FOREWORD

Graham Biggs

Rural Services Network Chief Executive

Rural communities are frequently overlooked in a policy environment dominated by (majority) urban thinking and by urban policy concerns. So called “rural mainstreaming” has often led to policies which are inappropriate in a sparsely populated or rural setting. The result is that communities miss out on the benefits, or experience unintended consequences from policies which are poorly thought through from a rural perspective.

Rural economies are also widely misunderstood, with their potential to grow and add value to the national economy overlooked. Too often they are conflated with agriculture and landbased industries. Whilst agriculture certainly remains an important consideration, it is today one element within broad-based and diverse rural economies.

It is time for a Rural Strategy which raises rural opportunities and challenges up the political agenda: which is forward looking and ambitious, recognising the contribution that rural areas make and those they could make to the wellbeing and prosperity of the nation as a whole.



# A thriving rural economy

**Businesses of all types, sizes and sectors should be supported to prosper, grow and provide decently paid employment opportunities**

547,000  
rural  
businesses

£246  
billion  
productivity

84%  
working  
in SMEs

22%  
of jobs  
home based

£21,400  
average  
wage

## Challenges identified to address:



**Reducing the productivity gap**



**Helping rural businesses (especially SMEs) to grow locally**



**Supporting further diversification**



**Sustaining high streets and their businesses in rural towns**



**Creating better paid and more secure jobs**

## What would make a difference?



**A dedicated rural business support programme**



**A rural proofed Industrial Strategy**



**A re-purposing of Local Enterprise Partnerships**



**A training offer to suit small rural businesses**



**A further education system accessible to rural pupils**



**RURAL VULNERABILITY FACT**  
Median workplace based annual gross pay for full time workers

RURAL

URBAN

£26,919 £29,480







# A digitally connected countryside

All rural households and businesses should have the option of affordable and reliable access to broadband and mobile networks. Digital infrastructure should be considered essential for a modern economy and to enable fair access to services and other opportunities

In rural areas, 11% of premises are unable to access broadband connection of 10Mbps

A basic phone call cannot be made inside 41% of rural buildings on all 4 mobile networks

## Challenges identified to address:



Extending broadband networks to those premises still missing out



Future proofing broadband policy, so rural areas do not fall behind again



Capitalising on the benefits from the roll out of superfast networks



Addressing issues with mobile network coverage (including 4G)

## What would make a difference?



A USO that is fit for purpose



A focus on full fibre roll out



A drive to connect rural business



A review of mobile connectivity



**RURAL VULNERABILITY FACT**  
Percentage of premises unable to access a decent broadband service

RURAL

URBAN

7%

1%

84

Provision worsens the more rural an area is. For rural hamlets and isolated dwellings the figure is 35%





# A place everyone can get around

**People of all ages must have the means to travel to services, jobs and other opportunities. Not least those in the 1 in 9 rural households that do not own a car. Transport is crucial to life opportunities and its absence can compound isolation and loneliness**

Low income households are 70% more likely to own a car in rural areas

In 2012, less than half of households in rural areas had access to regular and nearby bus service

## Challenges identified to address:



**Reversing the widespread decline in rural bus service provision**



**Making bus services a more attractive option for rural travellers**



**Providing sustained support for complementary community transport schemes**



**Ensuring future transport innovations will benefit rural communities**

## What would make a difference?



**A fair deal from Local Government funding**



**A viable deal for transport operators**



**A sustainable approach to community transport**



**A realistic concessionary fares scheme**



**A search for new rural solutions**



**RURAL VULNERABILITY FACT**  
Percentage of people that are living in areas with the poorest accessibility to services

RURAL

URBAN

50%

2%



# Fairer funding to address the local rural penalty

**The needs of rural communities are best met when policy decisions are taken locally by those who understand the area. This means devolving decisions**

Urban areas in the 19/20 still receive 66% (£119) per head in Local Government Settlement Funding Assessment grant more than their rural counterparts

Rural residents pay, on average, 20.7% (£98) per head more in Council Tax than their urban counterparts due to receiving less government grant

## Challenges identified to address:



**Ensuring that local authorities retain the capacity to serve their rural communities**



**Boosting the capacity of parish and town councils to bring about local solutions**



**Recruiting and retaining volunteers with sufficient time and the right skills**



**Providing the support infrastructure to facilitate community action in more areas**

## What would make a difference?



**A properly resourced local authority sector**



**A realistic deal for parish and town councils**



**An underpinning for local action**



**A support package for communities**



**A local response to extreme weather**



## RURAL VULNERABILITY FACT

Amount paid on average by residents in Council Tax due to disparities in Government Grant received

RURAL

URBAN

£569.11

£471.41





# A fair deal on health and social care

**Rural communities, like communities everywhere, need access to high quality healthcare and some require extra support from social care services**

By 2039, nearly half of all households in rural areas will contain people aged 65 or over

In 17/18 rural residents funded 76% of the cost of adult social care through Council Tax compared to 53% in urban

## Challenges identified to address:



Ensuring that patients can get to secondary and tertiary health services



Delivering quality primary health care locally within rural settings



Making sure social care reaches those who need it in remote locations



Benefiting rural clients through improved health and social care integration

## What would make a difference?



A fair allocation of funding to rural areas



A rural proofed model for health care delivery



A stronger focus on filling vacancies



A joined up approach to health and social care



A housing policy ready for an ageing population



**RURAL VULNERABILITY FACT**  
Adult social care as a percentage of Local Authority total service expenditure

RURAL

URBAN

24%

20%





# A place to learn and grow

Rural schools typically play an important role at the heart of their community and provide a high quality education. It is imperative that education policies – focused on the needs of children – support them and help them to face particular rural challenges

Almost 27% of total number of schools in England are in rural areas

More than 33% are defined as very small (<110 pupils)

## Challenges identified to address:



**Sustaining schools with small (or fluctuating) pupil numbers**



**Managing school budgets when operating costs are high**



**Recruiting and retaining teaching and support staff**



**Finding appropriate models for school collaboration**

## What would make a difference?



**A presumption against school closures**



**A fair and realistic funding basis**



**A stronger focus on rural recruitment**



**A workable approach to collaboration**



## RURAL VULNERABILITY FACT

The percentage of secondary schools that have received 'outstanding' as the most recent inspection routine

RURAL

URBAN

18%

24%





# An affordable place to live

Rural communities are only likely to thrive economically and socially if they are home to residents from a mix of age groups and backgrounds. This includes providing those brought up locally or working there with a chance to buy or rent a home they can afford

Affordable house prices are £44,000 higher in rural areas than in urban

Only 8% of households in rural villages live in social housing compared to 19% in urban

## Challenges identified to address:



**Bringing forward development sites at a price suited to affordable housing**



**Making sure such homes are and remain genuinely affordable**



**Planning new housing in ways which attract community support**



**Ensuring the funding model for affordable house building adds up**

## What would make a difference?



**A planning policy to fit rural circumstances**



**A realistic definition of affordable**



**A dedicated rural affordable housing programme**



**A bolstering of landowner and community support**



**A replenishing of social housing**



**RURAL VULNERABILITY FACT**  
Ratio of annual earnings to house prices  
(excl London)

RURAL

URBAN

8.8

7.5





# A rural proofed policy framework

Mainstream policies, such as those on housing, health, education, planning and economic growth must be workable in rural areas where there can be distinct challenges delivering to small and scattered settlements or where economics of scale are harder to achieve

DEFRA have a Rural Proofing process for other departments to follow

BUT Lord Cameron's review said:

- Implementation is patchy
- Does DEFRA have sufficient staff resources working on rural affairs?

## Challenges identified to address:



Reaffirming the rural proofing commitment and placing it on a firmer footing



Providing sufficient staff and resources to carry out the rural proofing function



Making it clearer what rural proofing actions policy makers are taking



Ensuring that rural proofing filters down more consistently to the local level

## What would make a difference?



A proper legal basis for rural proofing



A more transparent proofing process



A better resourced team within DEFRA



An effective approach to local policy delivery



## RURAL VULNERABILITY FACT

Predicted % increase in next 20 years of number of people aged 65 and over (2016-2036)

RURAL

URBAN

112%

66%





# Addressing the rural penalty

Below is just a snapshot of the rural inequalities which creates vulnerability across England's rural communities

	RURAL	URBAN
Amount paid on average by residents in Council Tax due to disparities in Government Grant received	£569.11	£471.41
Hourly rate for personal social care home (external) 2017/2018	£17.02	£15.53
Public Health Allocations to local authorities in 2018/2019 from Government, allocation per head	£42.97	£66.91
Government funding for fire authorities per head in 2018/19, per head	£12.94	£17.40
Average weekly transport costs	£111.80	£74.30
Percentage of weekly disposable income spent on average weekly transport cost	14.5%	10.7%
Estimated percentage of households not connected to the gas network	23.7%	8.2%
Percentage with access to a Further Education site within 30mins travel time using public transport/walking	51.0%	93.6%
Percentage of employees, self employed people and trainees receiving on the job training in the previous 4 weeks	12.9%	13.3%
Proportion of working age population with NVQ level 4 or equivalent	35.4%	44.7%
Predicted percentage increase in next 20 years of number of people aged 85 and over	107%	79%
Percentage of dwellings that cannot access a 10Mbps broadband connection	11%	1%
Average fuel poverty gap for fuel poor households in 2015	£561	£303
Fuel poverty gap - additional income required to bring a household to the point of not being fuel poor	£442	£296
Percentage of households that are classed as fuel poor (2015)	12%	11%
Residual fuel usage (non gas, non electricity, non road transport fuels) (tonnes of oil equivalent) per resident	0.44ktoe	0.10ktoe
Average domestic electricity consumption, sales per consumer (kwh)	4339kWh	3668kWh
2015/16 hospital admissions as a result of self harm directly standardised rate per 100,000 aged 10-24	477.6	419.0
2014/15 percentage of 15 year olds, diagnosed by a Doctor with a long term illness, disability or medical condition	14.5%	13.5%
People in rural areas typically need to spend 10 – 20% more on everyday requirements than those in urban areas. The more remote the area, the greater these additional costs become		

## Lord Foster of Bath

Chair of House of Lords Select Committee on the Rural Economy

*"Rural communities and the economies in them have been ignored and underrated for too long. We must act now to reverse this trend, but we can no longer allow the clear inequalities between the urban and rural to continue unchecked. A rural strategy would address challenges and realise potential in struggling and under-performing areas, and allow vibrant and thriving areas to develop further."*

***"Doing nothing is not an option."***







Sign up to support our campaign:  
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