

## Notes of last SPARSE Rural Sub-Special Interest Group meeting

---

**Title:** Rural Services Network Special Interest Group  
**Date:** Monday 27 January 2020  
**Venue:** Westminster Room, 8th Floor, 18 Smith Square, London, SW1P 3HZ

---

### Attendance

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

### Item Decisions and Actions

#### 1. Attendance & Apologies.

The Chair, Cllr Cecilia Motley welcomed colleagues to the meeting. Apologies were noted. (The list of attendees/apologies can be found in Appendix A)

Cllr Motley outlined the plans for the day.

#### 2. Notes from the previous SPARSE Rural meeting. (Attachment 1)

Notes from the previous SPARSE Rural meeting which took place on the 24<sup>th</sup> of June 2019 were accepted as a true record.

#### 3. Notes from the previous RSN Executive. (Attachment 2)

Notes from the previous RSN Executive meeting which took place on the 13<sup>th</sup> of January 2020 were accepted as a true record.

Members noted overall discussions from the recent meeting of the Executive including conversations about the Rural Strategy campaign.

The group noted progress on the Rural Market Towns Group and were reminded to publicise the initiative through their own contacts. So far there had been a gratifying uptake of the initiative.

#### 4. Provisional Settlement 2020/21 and Fair Funding Review – Update.

##### (a) Provisional Settlement 2020/21

Mr Graham Biggs provided colleagues with updates on the provisional settlement for 2020/21 and the Fair Funding Review. He apologised that it had been difficult to nail down the analysis of the funding per head difference between urban and rural areas arising from the Provisional Settlement. Changes to authority structures had made it difficult to obtain the information on a like for like format since the consultation.

**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

Members noted that the provisional settlement for next year is likely to be similar to this year, however an extra billion pounds per year is expected for social care for the period of this Government. The 2% adult social care precept and the reduction in the maximum increase in core Band D council tax from 2.99% to 1.99% were noted.

Over the period from 2015/16 to 2020/21 Government Funded Spending Power per head for rural areas had decreased by 7.36% compared to urban at a reduction of 6.65%. For 2020/21, based on the Provisional Settlement, the gap between rural and urban GFSP per head was 42% (some 5% wider than in 2015/16).

The Improved Better Care Fund shows a difference of around a 21% gap between urban and rural per head. Members noted differences in council tax which also show a gap of over £105 per head.

The fundamental position remained that rural areas get less government grant per head, pay more Council Tax per head but receive fewer services, and indeed the rural/urban funding gap was getting worse.

Mr Biggs informed members that the Pixel Report would be published within the RSN Bulletin the following day.

#### **(b) Fair Funding Review**

Mr Biggs summarised the background to the Fair Funding Review and business rate retention.

He confirmed that there had never been any intention for authorities to keep 100% of all business rates generated in their area although business rate growth would be retained between re-sets.

Should income exceed assessed needs, this would be taken and distributed to those who's assessed needs exceeded their income. Members noted that legislation would be required to enable retention of 100% and therefore the current position was for 75% retention. It was felt unlikely that this would change in the near future given that the Government has announced a fundamental review of the whole business rates system.

Mr Biggs referred to a new needs-based formula to determine each council's position and therefore drive the redistribution of retained business rates. Initial findings showed that rural areas collectively could be in a positive position from this. Members heard that worryingly, certain features could impact negatively on the most sparsely populated District Councils/Borough Councils.

The Group noted the use of data to assess added costs of travel within areas for services such as refuse collections and providing certain services to householders in their own homes such as social care. It was accepted that allowance should be made for the fact that remoteness has market failure consequences. This travel time data was initially going to be added to the Foundation Formula. Now it appears that this could only be included within the Area Cost Adjustment (ACA) element of the Foundation Formula. ACA was created to recognise some geographical features, which is only a part of the full Foundation Formula.

#### **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

Members noted that Pixel (RSN Finance Consultants) are currently working hard to look at this in detail and a meeting of the Fair Share group would be called in February to discuss this. There are now many new MPs who may not currently be aware of these issues and it was agreed that it would be vital to push and flag these issues with them should the research done by Pixel show a potential problem.

Mr Biggs invited the group to share concerns. Members raised the following:

- The current formula is far too complicated;
- A short report summarising key points would be useful. Mr Biggs stated that Pixel would prepare a briefing document for SPARSE-Rural member authorities;
- Clarity of implications in terms of actual money differences between different types of councils would be vital in the report from the consultants;
- A clear demonstration showing that rural authorities will receive less allowance for rurality costs will enable MHCLG Ministers to consider their decisions on the fair funding review;
- Members noted uncertainty about possible changes to Ministerial responsibilities and the need to be prepared. Mr Biggs confirmed that this may be an issue but until a proper scale of the financial position is clear, RSN would need to continue to deal with current contacts including in MHCLG. Everything is dependant at this point on the data being produced by Pixel before any decisions on progress can be made;
- Members referred to the extra 2% chargeable for adult social care and whether this features within the funding formula. Mr Biggs acknowledged that this was the case within the Social Care Block and that it would be used when calculating needs of individual councils. Members noted plans for the green paper which would address personal funding contributions for adult social care. They acknowledged that it was too early to know the direction of the new government at this time but that there is a crisis in local authority funding for adult social care which needs to be urgently addressed;
- Members noted a definite pressure for district councils to merge together or to be re-organised into unitary councils. It was felt that the most rural sparse areas would be penalised because of a lack of knowledge and understanding in Westminster of real accessibility in delivery of services and actual travel times;
- Members were worried about rural deprivation not being given due weight.

Mr Biggs acknowledged major costs but said that there are also downfalls. He clarified the position on discretionary services between each kind of authority. The group noted the index of multiple deprivation scores on access to services and that urban issues are better indicated by the deprivation indicators.

Cllr Motley said that a clearer view would be seen once the data is received from Pixel.

Further information would be passed to colleagues in due course.

## **5. Budget Report as at 1st January 2020. (Attachment 3)**

### **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

Mr Biggs informed members that a balance of circa £12k was expected providing all subscriptions are paid. The position is the same as previous and outstanding subscriptions were being chased.

Mr Biggs confirmed no anticipation of fund-flow issues for the forthcoming year.

Members recalled the last increase to subscriptions in order to pay for Senior Posts at market rate in due course and this should still be achievable. The Chair expressed her gratitude at the 'voluntary' work of the Chief Executive and the Corporate Director and, indeed, for all the hard work of all RSN employees etc.

**6. Any other business.**

There was no other business.

The next meeting will take place on Monday 1<sup>st</sup> of June 2020.

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

David Inman, Director  
Kilworthy Park, Tavistock, Devon PL19 0BZ  
Tel: 01822 813693

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

**Attendance**

Cllr Cecilia Motley	RSN
Cllr Chris Mapey	East Suffolk Council
Cllr Harry St John	West Oxfordshire District Council
Cllr Mark Whittington	Lincolnshire County Council
Cllr Mary Robinson	Eden District Council
Cllr Michael Rickman	Harborough District Council
Cllr Owen Bierley	West Lindsey District Council
Cllr Peter Schwier	Braintree District Council
Cllr Peter Stevens	West Suffolk Council
Cllr Robert Heseltine	North Yorkshire County Council
Cllr Sue Tucker	Scarborough Borough Council
Cllr Trevor Thorne	Northumberland County Council
Cllr Virginia Taylor	Eden District Council
Cllr Yvonne Peacock	Richmondshire District Council
David Inman	RSN
Graham Biggs	RSN
Jeremy Savage	South Norfolk Council
Marina Di Salvatore	West Lindsey District Council
Neil Irving	North Yorkshire County Council
Fatima de Abreu	Local Government Association

**Apologies**

Cllr Ken Pollock	Worcestershire County Council
Adrian Welsh	Mid Devon District Council
Cllr Adam Paynter	Cornwall Council
Cllr Anthony Trollope-Bellew	Somerset and West Taunton Council
Cllr Daniel Cribbin	Daventry District Council
Cllr Donald Davies	North Somerset Council
Cllr Giles McNeill	West Lindsey District Council
Cllr Gill Heath	Staffordshire County Council
Cllr Gwilym Butler	Shropshire Council
Cllr Louise Richardson	Leicestershire County Council
Cllr Malcolm Brown	Cornwall Council
Cllr Margaret Squires	Mid Devon District Council
Cllr Richard Foss	South Hams District Council
Cllr Richard Sherras	Ribble Valley Borough Council

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

David Inman, Director  
Kilworthy Park, Tavistock, Devon PL19 0BZ  
Tel: 01822 813693

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

Cllr Richard Wright	North Kesteven District Council
Cllr Rob Waltham MBE	North Lincolnshire Council
Cllr Ros Wyke	Mendip District Council
Cllr Rupert Reichold	East Northamptonshire Council
Cllr Sarah Butikofer	North Norfolk District Council
Cllr Stephen Arnold	Ryedale District Council
Dominie Dunbrook	North Devon Council
Gary Powell	Teignbridge District Council
Gary Taylor	South Holland District Council
Helen Harris	Leicestershire County Council
Jenny Poole	Cotswold District & West Oxfordshire District Councils
Katherine Fairclough	Cumbria County Council
Kathy O'Leary	Stroud District Council
Lorraine Gore	King's Lynn & West Norfolk Borough Council
Paul Henry	Suffolk County Council
Peter Wilding	Chichester District Council
Sally Nelson	North Devon Council
Stacey Burlet	Ryedale District Council
Tony Galloway	Ryedale District Council
Toyubur Rahman	Chichester District Council

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

David Inman, Director  
Kilworthy Park, Tavistock, Devon PL19 0BZ  
Tel: 01822 813693

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