

Note of last SPARSE Rural Sub Special Interest Group meeting

Title:	SPARSE Rural Sub Special Interest Group
Date:	Monday 28 January 2019
Venue:	Smith Square 1&2, Ground Floor, 18 Smith Square, London, SW1P 3HZ

Attendance

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

Item	Decisions and actions
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1 Apologies for Absence

Cllr Cecilia Motley welcomed members to the meeting and outlined plans for the day.

Members noted the list of apologies sent. (See Appendix 1 for list of attendees).

2 Minutes of the last meeting of the SPARSE-Rural Sub-SIG held on the 12th November 2018 and to discuss any matters arising

Members confirmed the minutes of the previous meeting.
There were no matters arising.

3 To receive the minutes of the Executive Meeting held on the 14th January 2019 and to discuss any matters arising not on this agenda

Members noted the minutes of the recent meeting of the Executive.
There were no matters arising.

4 2019/20 Provisional Settlement – RSN Response

Members noted the response included within the Agenda at Appendix C and that most of it was the same as the previous year's which was only to be expected as it was the final year of the 4-year settlement period. One key change was an increase in the rural service delivery grant. The group noted that the amount is a relatively small amount of money and that from next year, it will be taken into the proposed foundation formula rather than a stand-alone amount.

The gap in spending power funded by Council Tax in rural areas is increasing year on year and there is a gap of 13%.

The Chair members that the RSN had written directly to the minister to spell out what

they are looking for in the new formula

Members responded:

- They were pleased that the threat of negative RSG has been removed;
- There are concerns about what will happen in the next financial year and there will be a need to step up representation to ensure that Rural areas receive fair treatment under the new regime.

5. Business Rate Retention Consultation – draft RSN response

Members noted the formula currently used for assessing the percentage of business rates retention by local authorities and said that the government needs to take into account the different circumstances and resources for individual businesses. It is therefore vital that due account is taken of the rate of relief according to the type of business concerned. Members agreed that a balance must be met and councils should realise the benefits to their areas of attracting visitors through added spending via tourism – even though it may not benefit the actual council directly.

Members agreed that the system does not actually differ substantially to the one used previously.

The group raised several concerns:

- Effect of the downturn of local shops and decrease in revenue – members felt that the reliability on predicting growth to fund local government services is unrealistic in the current economy. It is flawed to not think about future problems should these resources diminish;
- Children’s Services – impacts of increased numbers of children coming into care is costing local authorities more.

Members agreed the response as prepared by Pixel.

6. Needs and Resources Consultation – draft RSN response

The Group considered the draft response to the Needs and Resources Consultation which was included as Appendix D within the Agenda.

Graham Biggs (Rural Services Network) then provided a presentation on the Fair Funding Review with an overview of the proposed changes included within the Consultation.

Concerns raised were as follows:

- The whole Fair Funding review may be irrelevant if there is a change to Government;
- The removal of Deprivation from the Foundation formula was controversial across the Sector;
- There were large gaps in the information relating to adults and children’s social care;
- Actual urban areas are actually starting to take note of rural issues and to react – however, it may be too late;

- More deprived authorities will be hit using the formula;
- The new method of funding using travel time data works significantly in favour of rural, however the overall outcome will be a package and include all components. There is a danger that the combination of the Spending Review, fair funding review and business rates reform will lead to constraints on authorities and there are questions on whether these are viable and manageable.
- Uncertainty about changes to legislation and the possibility of ministerial discretion in decision making on funding. However, the formula would still be the same;
- The financial viability of authorities is very much in doubt and in danger in future years and it was agreed that government must be aware of this and must deliver in order to avoid failure.

Members noted the structure of overall funding using the Relative Needs Formula (RNF) and reduction from the current 15 service formulae on the basis on what is currently known. They looked at current arguments for deprivation and discussed the proposed change to using the Department for Transport Travel Time Data for mapping remoteness of rural areas. Mr Biggs provided the group with a breakdown of how this data is measured.

Mr Biggs went on to outline specific formulae for other services and provided details on how research for these are based. There are still major concerns about the quantum used for assessments. Members noted details of these services which include children and adult social care, highway maintenance, coastal protection and flooding, fire and rescue services amongst others. There is a lot of uncertainty and there are many services which are without separate formula. Members agreed concerns about how or whether these will be funded.

There were also worries about the imbalance of funding – particularly around costs allocation to children’s services - and the lack of consideration for other services used by more people.

Another concern was the use of population projections in assessing funding requirements. Local authorities would be unable to reassess their needs before the end of five years should the predictions be wrong. Members stated the importance of raising councils’ awareness of this.

The issue of including car parking income in resources is a balance as many rural tourist and coastal areas raise significant sums through these services. However, urban areas, especially London, raise huge amounts which would mean more funding being redistributed.

Mr Biggs summarised details of his presentation and acknowledged that the process is moving in the right direction for rural authorities but that it was important to find out how much money authorities will receive now and also by how much this funding will increase in the future. Without that information, it would be difficult to agree the Fair Funding Review.

He concluded his presentation by advising members to respond to both the RSN’s response to the Consultation, as well as in their own right as individual rural authorities

Members agreed that there is still a lot of uncertainty.

Cllr Motley thanked Mr Biggs for an informative presentation and reiterated the

importance of responding to the Local Government Finance consultations.

The deadline is 21 February 2019.

7 Members agreed the draft RSN response

The Slides are available on the RSN website and will be emailed to members immediately for information. **Action:** Nicola Busuttill

8 Budget Report

Mr Biggs provided an update on SPARSE's current financial situation.

9 Any other business

There was no other business and the meeting was closed.

Next Meeting:

The next meetings of the Rural Social Care & Health Group Rural Assembly will be held on 8 April 2019 at Local Government Association, 18 Smith Square, London.

Attendance

Organisation	Name
Graham Biggs MBE	RSN
David Inman	RSN
Cllr Cecilia Motley	RSN
Cllr Yvonne Peacock	Richmondshire District Council
Cllr Jeremy Savage	South Norfolk District Council
Cllr Cameron Clark	Sevenoaks District Council
Cllr Owen Bierley	West Lindsey District Council
Cllr Robert Heseltine	North Yorkshire County Council
Cllr Gerard Brewster	Mid Suffolk District Council
Cllr Peter Stevens	St Edmundsbury Borough Council
Cllr Gwilym Butler	Shropshire Council
Stephen Boddington	Norfolk County Council
Cllr Trevor Thorne	Northumberland County Council
Fatima de Abreu	Local Government Association

Apologies

Organisation	Name
Chris Stanton, Rural Economy Officer	Guildford Borough Council
Cllr Peter Hare-Scott	Mid Devon District Council
Revd Richard Kirlew	Sherborne Deanery Rural Chaplaincy
Cllr Philip Sanders	West Devon Borough Council
John Birtwistle, Head of Policy	UK Bus
Cllr Stephen Arnold	Ryedale District Council
Dave Heywood, Chief Executive	South Staffordshire Council
Cllr Rupert Reichhold	East Northamptonshire District Council
Cllr Peter Jackson	Northumberland Council

Cllr John Spence	Essex County Council
Cllr Jane March	Tunbridge Wells Borough Council
Cllr Anthony Trollope-Bellew	West Somerset District Council
Cllr Jonathan Brook	South Lakeland District Council
Sian Moore, Corporate Director & S151 Officer	Richmondshire District Council
Dr Pav Ramewal, Chief Executive	Sevenoaks District Council
Cllr Phil King	Harborough District Council
Maggie Quinn, Partnership & Locality Manager	South Staffordshire Council
James Tennant, Business Account Manager	East Northamptonshire District Council
Cherie Root, Head of Business Solutions	Braintree District Council
Cllr Louise Richardson	Leicestershire County Council
Katie Williams, Economy Skills & Culture Assistant	Cornwall Council
Cllr Brian Long	Borough of King's Lynn & West Norfolk BC
Cllr Adam Paynter	Cornwall Council
Mark Carroll, Executive Director Place & Public Health	Essex County Council
Louise Driver, Economic Growth Team Leader	Leicestershire County Council
Cllr Nigel Dixon	North Norfolk District Council
Cllr Barry Lewis	Derbyshire County Council
Cllr Graham Bull	Huntingdonshire District Council
Jo Churchill MP	Bury St Edmunds
Kate Kennally, Chief Executive	Cornwall Council
Gary Powell, Community Projects Officer	Teignbridge District Council
Dr Robert Murray, Economic Development Manager	East Devon District Council
Cllr Ian Thomas	East Devon District Council
Cllr Richard Sherras	Ribble Valley Borough Council
Cllr David Ireton	Craven District Council
Cllr Janet Clowes	Cheshire East Council
Cllr David Godfrey	Folkestone & Hythe District Council
Cllr Roger Phillips	Herefordshire Council
Cllr Rob Waltham	North Lincolnshire Council

Adele Taylor, Executive Director of Finance	Cherwell District Council
Cllr Ken Pollock	Worcestershire County Council
Cllr Stuart Lawson	Suffolk Coastal District Council
Cllr Jane Mortimer	Scarborough District Council
Cllr Wendy Bowkett	East Lindsey District Council
Cllr Peter Thornton	South Lakeland District Council
Andy Brown, Chief Operating Officer	Cornwall Council
Clive Howey, Director of Finance	Eden District Council
Ian Knowles, Director of Resources	West Lindsey District Council