



**AGENDA**  
**SPARSE RURAL Sub SIG**

**Venue:- City of Westminster Archives Centre, 10 St Ann's Street, London SW1P 2DE**

**Date: Monday 30<sup>th</sup> January 2017**

**Time: 12.00 pm to 3.00 pm**

**Please note change of venue as the LGA is not available for meetings for a year.**

The meeting is being held at the City of Westminster Archives, 10 St Ann's St, Westminster, London SW1P 2DE. Visitor information and a map for the venue can be found in the links below:

[City of Westminster Archives Centre Visitor Information](#)

[City of Westminster Archives Centre Map](#)

1. Apologies for absence
2. To confirm the minutes of the last meeting (Appendix A) held on the 21<sup>st</sup> November 2016 and to discuss any matters arising.
3. To receive the minutes of the Executive Meeting held on the 9<sup>th</sup> January 2017 (to be tabled at the meeting) and to discuss any matters arising.
4. Provisional Settlement: Presentation by Dan Bates (Pixel) followed by discussion (copy of RSN response to the Provisional Settlement attached (Appendix B)
5. To receive a report on the Rural Fair Share Group activity in respect of the Provisional Settlement (actual and planned).
6. To consider the suggestion in the Future Directions report of a wider financial topic remit for the group and to discuss the level of work to be undertaken and the practical options for undertaking such work.  
(Verbal Report)
7. Business Rate Retention – update  
(Appendix C)
8. To receive a report on any planned joint work between RSN/DCN/CCN on Business Rates

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

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

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9. To consider the suggestions arising from the Future Directions Report relating to Vulnerability (Appendices D & E)
  
10. Any Other Business

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# Notes of SPARSE Rural Special Interest Group AGM Meeting - 21 November 2016

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**Title:** SPARSE Rural Special Interest Group

**Date:** 21 November 2016

**Venue:** City of Westminster Archives Centre, London

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## Attendance

An attendance list is attached as [Appendix A](#) to this note

## Item Decisions and actions

Cllr Cecilia Motley, Chair of Rural Services Network (RSN), welcomed the group to the meeting and noted apologies.

### 1. Minutes of last SPARSE Rural SubSIG

The minutes of the previous meeting were noted and approved.

### 2. Rural Fair Share Campaign Group

Graham Biggs (Chief Executive, RSN) updated members on the work of the group and outlined details on public health funding and current work done by CCN. A session was planned between RSN, DCN and CCN in the new year to discuss study outcomes.

Members referred to the public health grant and issues around capacity and collaboration in working with the NHS. They raised concerns that STPs were not reaching smaller rural areas and agreed that a fuller understanding of the distribution of funding was required and this would be revisited at a future meeting once more information was available.

### 3. Fairer Funding Campaign

Members received a presentation from Dan Bates (RSN) which outlined likely issues within the forthcoming provisional settlement. The group noted the inclusion of Council Tax in the SFA funding calculations and the negative impact this had on government funding for rural councils. Despite the introduction of a transition grant to fill the gap, this would only alleviate the difference for 2016/17 and (only in part) 2017/18 – after that, and left unchanged, the gap between government funding per head between urban and rural areas would get even wider.

Members discussed the assumption by Government that all rural councils would raise their council tax but agreed that this would not be true. They discussed the importance of lobbying rural MPs and speaking to the new Secretary of State in order to get a response.

The RSN committed to write to the Local Government Minister, setting out in strong terms what may happen if these issues are not addressed – depending upon the outcome of the imminent Autumn statement. Further to this, all authorities affected should take forward ways in lobbying these points to their own MPs. Members agreed that it was vital to be watchful - and to stick together as negotiations continued.

#### **4. Full Business Rate retention**

Mr Bates went on to summarise details of the next 4 year settlement and issues around full business rate retention. He informed that he, on behalf of the RSN, was involved in a number of groups which had been created specifically to look at new burdens and disparities in funding, as well as transparency issues – particularly given the different types of authorities affected and the reality of obtaining government incentives. In order to assess differences, pilots were being set up and this information would be fed back to the group as work progressed.

He referred to top up grants which would be available according to need – and as part of his work for the RSN he sat on the 'Needs' group to try to ensure that Rural areas received their fair share. Members felt that this direction was positive but that they would need to be watchful and cautious to ensure that urban areas receiving more than they needed would be required to redistribute it around the country.

The Chairman thanked members for an interesting meeting and a short break was taken for refreshments, during which time, members of the Rural Services Partnership Limited convened for a private meeting.

**Attendees**

Cecilia Motley	Chair, RSN	
Graham Biggs	Chief Executive, RSN	
David Inman	Corporate Director, RSN	
Kerry Booth	Assistant Chief Executive, RSN	
Cllr Philip Sanders	West Devon BC	
Cllr Owen Bierley	West Lindsey DC	
Cllr Janet Duncton	West Sussex CC	
Cllr Cameron Clark	Sevenoaks DC	
Paul Masters	Cornwall Council	
Ian Knowles	West Lindsey DC	
Cllr Ian Threlfall	Richmondshire DC	
Cllr David Ireton	Craven DC	
Cllr Rupert Reichhold	East Northamptonshire Council	
Cllr Gwilyn Butler	Shropshire Council	
Cllr Michael Hicks	South Hams DC	
Leigh Higgins	Melton BC	
Cllr Glynn Gilfoyle	Nottinghamshire Council	
Cllr Robert Heseltine	East Northamptonshire Council	
Keriesha Williams	UK Youth	
Milly Price	UK Youth	
Cllr Gordon Nicolson	Eden DC	
Cllr Peter Stevens		
Cllr Lindsey Cawson		
Dan Reynolds	RSN	
Martin Reohorn	Hereford & Worcester FA	
Malcolm Leeding	Oxfordshire Association of Local Councils	
W J Clarke	GBC	
Cllr Neil Butters	Bath & NE Somerset	
Fatima de Abreu	Local Government Association	

This is the response of the Rural Services Network/SPARSE-Rural to the Government's Consultation on the Local Government Provisional Settlement for 2017/18. The Rural Services Network, represents Councils servicing rural areas across England

## INTRODUCTORY COMMENTS

Before responding to the specific question we wish to make some introductory comments which demonstrate the depth of feeling there is on the various issues across Rural England

Earlier this year a delegation from the Rural Services Network (RSN) met the Local Government Minister, Marcus Jones MP to discuss what were, from our perspective, disastrous proposals set out in the 2016/17 – Four Year Provisional Settlement. Following protests from a significant number of rural MPs, the Final Settlement was improved temporarily by the addition of Transitional Relief arrangements. However, Transitional Relief turned out to be no more than a sticking plaster. Once that funding comes to an end in 2017/18, the Settlement proposals will risk crippling public services in rural areas and force local authorities to raise council tax to a significantly higher level than their urban counterparts. The Government's plans are likely to make life for people across rural England extremely difficult, hitting hardest those most in need of public services.

Cuts in grants have been difficult for all local authorities to live with over the last five years. But at least - until now - the axe has fallen reasonably equitably across both rural and urban areas. Under the Four Year Final Local Government Settlement rural areas will lose over 31% of their central Government funding, whilst urban areas, will lose about 22%. The Provisional Settlement just announced seeks to implement the second year of the Four Year Settlement and in addition, makes it even worse.

This comes after chronic underfunding of rural areas by successive governments, despite the acknowledged higher cost of providing services to remote communities and the lower than average incomes of people living in them.

The Government's Core Spending Power figures take for granted that that rural residents will have to pay even more in council tax than their urban counterparts. That is a cynical miscalculation which, has undoubtedly contributed to the present disaffection between rural residents and Westminster.

In a letter to Marcus Jones MP ahead of Provisional Settlement announcement, the RSN stated: "Once the Transitional Relief period has ended, rural councils at County, Unitary and District levels face an impossible task. Rural residents and businesses face a tsunami of swingeing cuts to essential front line services. There will be no alternative"

We pleaded with Government to extend the Transitional arrangements through to the end of the Four Year Settlement period - a plea which has clearly fallen on deaf ears.

Our concerns are set against the context that for decades, under successive governments, rural areas have received substantially less government funding per head of population for their local government services compared to urban areas. As a consequence rural local authorities have increasingly found it necessary to rely more heavily on Council Tax income than their urban counterparts, whilst still struggling with considerably less Spending Power overall. This has inevitably had an impact on the level of services they could provide.

Thus rural residents, who on average earn less than their urban counterparts, pay more in Council Tax but get less government grant and receive fewer services which cost those residents more to access. Rural areas also have significantly larger older populations. Over the next five years, the number of older residents in shire areas is projected to rise at an average annual rate of 2.0%, compared to an English average of 1.8%, London Boroughs 1.9%, and metropolitan boroughs 1.5%

Since 2013/14 London Boroughs (£266M), together with Surrey (£44M) and Hertfordshire (£16M) have received some £326M per year (based on 2013/14 values) more than the existing formula shows they need. This, in large part, is at the expense of rural areas. This is grossly unfair, and illogical. In times of austerity it is more important than ever that the funding which is available nationally from a shrinking pot, is distributed fairly.

Whilst increased funding for Adult Social Care is much needed, the amounts proposed in the Provisional Settlement will hardly scratch the surface of the underlying funding crisis that these services face across England. Furthermore, the fact that much of this increase has to come from Council Tax is both wrong and blatantly unfair to rural residents. The parlous state of Adult Social Care finances is a national issue that needs to be tackled by coherent policies and realistic funding from Central Government. Council Tax is already higher in rural areas compared to urban and these proposals can only widen that gap further. In the Autumn Statement the Chancellor made much of the issues facing the so call JAMs (those families Just About Managing). All of us do, including JAMS pay Council Tax and, especially in rural areas, these proposals will hit JAMS hard in their purses and wallets and will wipe out any small gains they might have derived from the Autumn Statement.

The Government's introduction of Improved Better Care Fund, whilst insufficient to meet the Adult Social Care crisis is, at least in principle, a step in the right direction. Yet again, however, the Government's policy to make rural residents pay for services through Council Tax rears its head again. The inclusion of the Council Tax flexibility in the IBCF calculations means that yet again rural residents are forced to contribute more to pressures which the Government is funding in urban areas. However, of deeper concerns is the use of 2013 adult social care formulae which take no account of the very real greater demographic pressures in rural areas or indeed the greater costs of meeting those needs. **Taken together, it is not surprising that, yet again, more grant goes to urban areas per capita. In 2019/20, the average predominantly urban resident will attract £31.28 per head in Improved Better Care Funding, £7.89 per head more than rural residents per head of £23.39). This difference is worth almost twice the amount which is being paid to rural authorities in Rural Services Delivery Grant.**

The Government must think again on all these issues of fundamental unfairness and discrimination against rural residents"

## RESPONSES TO CONSULTATION QUESTIONS

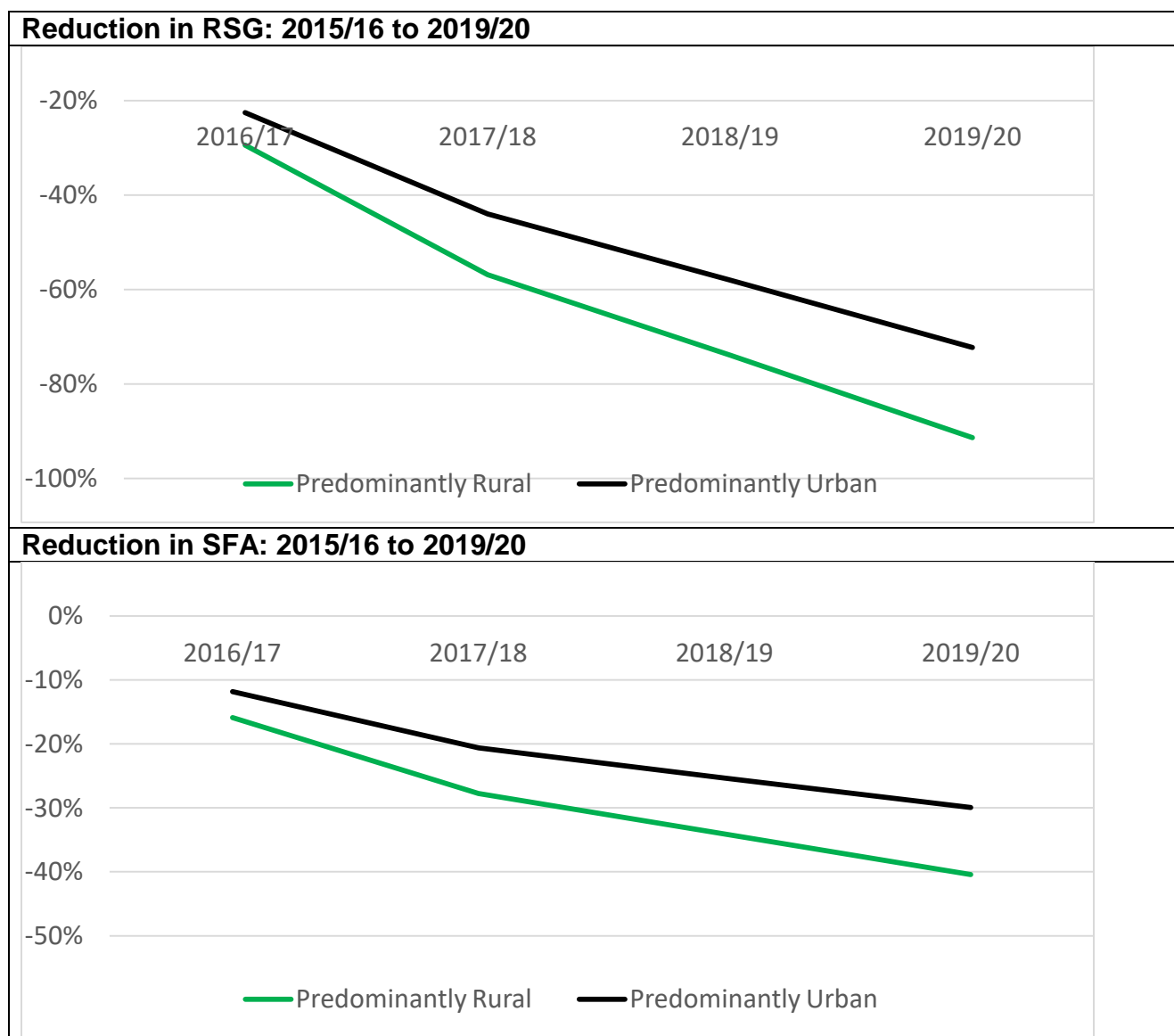
### Question 1: Do you agree with the methodology of Revenue Support Grant in 2017- 18?

No

**RSN fundamentally disagrees with the change to the methodology for calculating RSG which was introduced in the 2016/17 settlement and which has not been changed in this settlement.**

The inclusion of Council Tax in the calculation of RSG reductions has resulted in significantly higher reductions in RSG (and SFA) in rural areas than has and will occur in urban areas over the settlement period.

The relative reductions in both RSG and SFA are shown in the graphs below.



The reductions highlighted in the above graphs are made to a starting position which was already inequitable. In 2015/16, SFA per head of population in predominantly urban areas at £428 was already 43% higher than in predominantly rural areas (£299). By the end of the settlement period,



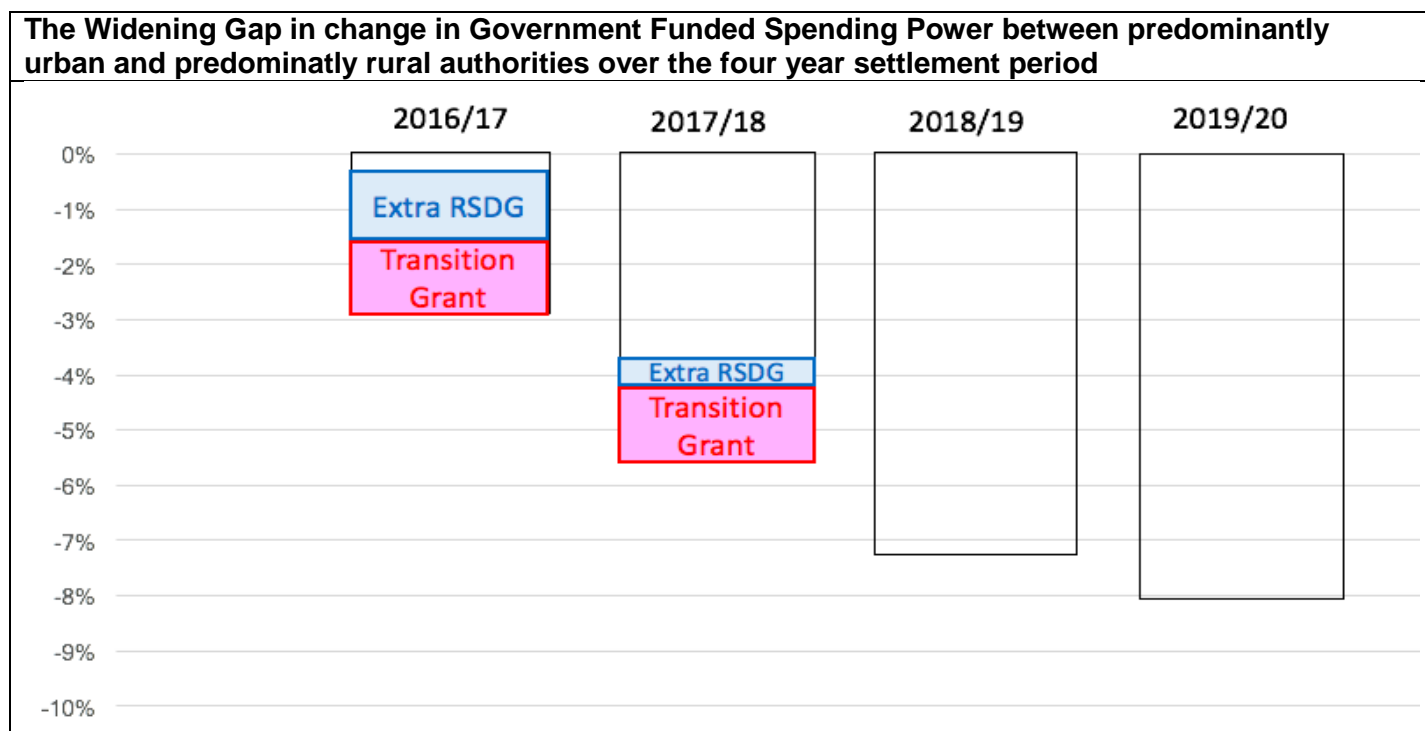
SFA per head in predominantly urban areas will be 69% higher than in predominantly rural areas - this is grossly unfair.

**RSN believe that the change in methodology introduced in the 2016/17 settlement and retained in this year's settlement is fundamentally unfair and should be changed.**

Indeed, the then Secretary of State, the Right Honourable Greg Clarke, recognised the inequity of the formula changes and introduced the Transition Grant as well a significant one-off increase in Rural Services Delivery Grant. This had the impact of almost equalling the reduction in 'Government Funded Spending Power' between predominantly urban and predominantly rural - but for 2016/17 only.

However, Transition Grant in 2017/18 remains at 2016/17 levels despite a growing gap in RSG/SFA reductions (as shown in the above graphs) before disappearing altogether in 2018/19 and beyond. Additionally, Rural Services Delivery Grant reduces by £15m in 2017/18 when compared with 2016/17. Taken together, this results in an unacceptable widening in the gap in Government Funded Spending Power between predominantly urban and predominantly rural areas.

The graph below shows the significantly diminishing impact of the Transition Grant on the Government Funded Spending Power over the four year settlement period. It clearly shows that the temporary measures introduced in the final settlement of 2016/17 were only sufficient to (almost) close the gap in Government funding in 2016/17.



The impact of these changes is seen in Council Tax levels which are already significantly higher in rural areas, are set to increase at an even greater rate due to the Government funding shortfall highlighted above. Indeed, there appears to be a conscious policy decision by the Government that rural areas Spending Power will be increasingly funded by taxpayers. **In other words, the Government is content for people in rural areas to pay more Council Tax from lower incomes to receive fewer services than their urban counterparts.** This is manifestly unreasonable and grossly unfair The RSN cannot accept this position

The table below shows the relative gearing between Government Funded Spending Power and Council Tax between predominantly rural and predominantly urban areas over the four year settlement period as a result of the inequitable changes to RSG.

<b>Percentage of Spending Power funded by Council Tax over the four year settlement period</b>					
	2015/16	2016/17	2017/18	2018/19	2019/20
Predominantly Rural	58%	62%	66%	70%	71%
Predominantly Urban	45%	49%	53%	56%	57%

**RSN believe that is inequitable that the taxpayer in rural areas, where earnings are, on average significantly lower, should shoulder an ever increasing Council Tax burden to fund local services. The current crisis in funding for Adult (and Children’s) Social Care is a national problem which needs new government money – it is wrong to pass that burden on to local council tax payers**

There is some evidence to show a correlation between the relative generosity (or otherwise) of government funding on local council tax decisions. In 2016/17, of 11 upper tier authorities that restricted Council Tax increases to less than 2%, 10 were predominantly urban and none were predominantly rural. Six London Boroughs were able to freeze Council Tax and the Greater London Authority, which enjoys the most generous changes in SFA, reduced their Council Tax by 6%!

**The RSN do not believe the Government policy of making greater reductions in Government Funded Spending Power in rural areas is either fair or sustainable and therefore calls on the Government to:**

**Either**

- **Change the formula which calculates RSG reductions to remove Council Tax from the equation so that RSG reductions are at least equal between predominately urban and predominantly rural authorities**

**Or**

- **Increase Transition Grant and/or so that it fully counteracts against the Government formula for RSG reduction**

**Question 2: Do you think the Government should consider transitional measures to limit the impact of reforms to the New Homes Bonus?**

**Question 3: Do you agree with the Government’s proposal to fund the New Homes Bonus in 2017-18 with £1.16 billion of funding held back from the settlement, on the basis of the methodology described in paragraph 2.5.8?**

**Question 4: Do you agree with the proposal to provide £240 million in 2017-18 from additional savings resulting from New Homes Bonus reforms to authorities with adult social care responsibilities allocated using the Relative Needs Formula?**

RSN are seriously disappointed by the extent of the changes to New Homes Bonus and the variation in the provisional settlement figures compared with those released last year – so much for the four year settlements giving more certainty and clarity over future income streams!!.

On question 2, we note that the reduction in New Homes Bonus has had a significant impact on Spending Power for some small district authorities – we therefore feel that the Government should, at the very least, consider some form of transitional arrangements. We are also concerned that the changes may have an impact on house building – despite that being a government priority

We have no firm views with respect to question 3.

On question 4, we feel that the Government should find additional resources to fund social care pressures as opposed to reducing New Homes Bonus and further burdening the taxpayer to fund social care. The issues we highlight below in respect of New Homes Bonus should be addressed through Government funding not re-allocations within the sums set out in the Provisional Settlement

The changes to New Homes Bonus are a complete volte-face. Most Councils will have constructed their efficiency plans (upon which their acceptance of a four-year settlement was predicated) based on figures published in the February 2016 settlement, including indicative levels of New Homes Bonus. Those indicative levels were meant to reflect the impact of the proposed changes to New Homes Bonus on which DCLG consulted in December 2015. However, barely two months before Councils must set their Council Tax, the government has announced potential new changes to the New Homes Bonus which are both financially significant for District Councils and substantially different from those reforms on which it had originally consulted. The lack of notice of these new changes would appear to run counter to the principles behind multi-year settlements, i.e. greater funding certainty and clarity over future income streams and sufficient warning to make sensible plans for changes. The original consultation on New Homes Bonus stated that a formal response document would be published within three months of the 10th March 2016 closing date.

The changes effectively redirect money that was intended to act as an incentive to delivering new homes towards propping up the massive pressures in adult social care which, whilst acknowledged, are nothing to do with new homes/delivering growth.

We are very concerned about two things:

- 1) The fact that the 'deadweight' has been increased from 2.5% to 4%. The consultation was on the basis of 2.5% and over 80 per cent of responses rejected the proposal. The 4% figure has never ever been discussed or consulted upon.
- 2) The fact that the application of the 'deadweight' and the reduction in the payment term from 6 to 5 to 4 years is being applied retrospectively.

It is a fundamental principal of English jurisprudence that new laws should not apply retrospectively. It seems quite iniquitous that local planning authorities were taking difficult decisions back in 2012 to deliver homes on the basis that they would receive six years' NHB only to now lose a year and so on for each subsequent year. Surely the new arrangements should apply from 2017 – i.e. new homes built post April 2017 receive 5 years' NHB (with the deadweight), then homes built from 2018 receive 4 years.

When the New Homes Bonus scheme was introduced, it was made clear that it would be a **powerful, transparent, predictable, simple** scheme as a written statement from the Minister introducing the made clear. When Councils were allocated their funding in 2011, 2012 etc. they were told that the sums would be payable for six years and budgeted accordingly. The six years is now being cut retrospectively and the deadweight applied retrospectively also.

**Question 5: Do you agree with the Government's proposal to hold back £25 million to fund the business rates safety net in 2017-18, on the basis of the methodology described in paragraph 2.8.2?**

We have no firm views with respect to question 5.

**Question 6: Do you agree with the methodology for allocating Transition Grant payments in 2017-18?**

Yes with some qualification.

The methodology for allocating Transition Grant appears sound.

However, we reiterate the point in our response to question one, - Transition Grant and the increase to RSDG was sufficient in 2016/17 to close the gap in changes to RSG opened by the inclusion of Council Tax in the calculation. We feel that this is inequitable and call on the Government to either change the RSG methodology so that reductions are equal across all authorities or increase Transition Grant to fully meet the shortfall bought about by the changes in RSG calculation.

**Question 7: Do you agree with the Government's proposed approach in paragraph 2.10.1 of paying £65 million in 2017-18 to the upper quartile of local authorities based on the super-sparsity indicator?**

Yes with some qualification.

Whilst we acknowledge that the Government has increased the value of RSDG since it was introduced, we make the following observations.

- The £65m proposed for 2017/18 is a £15.5m reduction when compared with 2016/17
- The £65m is still only about half of the amount which was lost to rural authorities to damping in 2013/14. This loss followed changes to sparsity in 2013/14, the majority of which was damped. As 2013/14 was the last year that formula funding was calculated, this damping loss has been suffered in each year since.
- The reduction in Revenue Support Grant national control total between 2015/16 and 2017/18 was 47.6%. However, as the first graph in our response shows, the reduction for Predominantly Rural authorities was 56.9%. In cash terms, therefore, predominantly rural authorities have lost £167m more than they would have if they suffered equal reductions to RSG. This is £102m greater loss than is being offered in RSDG in 2017/18.
- RSN has long campaigned for the RSDG to be tapered so that all rural authorities (as exemplified in the DCLG Summer 2012 Consultation) receive a contribution towards the additional cost of serving rural areas (the current system only provides funding for top quartile of super sparse authorities). We feel that an increase in RSDG to cover the losses outlined above would facilitate the extension of the grant to all authorities which should have benefitted from the (adopted by Government) 2012 Consultation proposals.

So whilst RSN acknowledges the importance of RSDG, we strongly feel that given the changes to other elements of the settlement, it is imperative that the level of RSDG is significantly increased and that the qualification criteria are changed to extend some level of support to all authorities with significant levels of sparsity.

**Question 8: Do you have any comments on the impact of the 2017-18 local government finance settlement on those who share a protected characteristic, and on the draft equality**

**statement published alongside this consultation document? Please provide supporting evidence.**

We have no firm view views with respect to question 8.



Department for  
Communities and  
Local Government

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**Marcus Jones MP**  
*Minister for Local Government*

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[www.gov.uk/dclg](http://www.gov.uk/dclg)

13 JAN 2017

*Dear Cecilia,*

## **LOCAL GOVERNMENT FINANCE BILL**

I am writing to highlight that today the Government has introduced into Parliament the Local Government Finance Bill. All relevant material for the Bill can be found here:

<http://services.parliament.uk/bills/2016-17/localgovernmentfinance.html>. The Bill will provide for a series of historic reforms to the local government finance system that will move local authorities away from dependency on central government grant and towards greater self-sufficiency. The reformed system will also provide local authorities with strengthened incentives for growing their business rates income.

This Bill will provide the framework to allow the Government to deliver its commitment to allow local government to retain 100 per cent of the taxes it collects – including around £12.5 billion of additional revenue from business rates – to fund local services. To ensure that the reforms are fiscally neutral some existing central government grants will be phased out. Local government will continue to deliver these existing responsibilities through retained business rates or they will take on new responsibilities to reflect additional tax income.

Through this Bill the Government will also provide flexibilities to local authorities over the operation of business rates in their areas, in particular to reduce the national business rate multiplier. In addition, Mayoral Combined Authority areas have the power to increase business rates to fund major local infrastructure projects, following a proper process of engagement with local businesses.

I would like to thank you for your significant contribution to the development of these reforms, in particular through your organisation's participation on the jointly chaired Local Government Association / Department for Communities and Local Government Business Rates Retention [Steering/Business Interest] Group. We are keen for this engagement to continue during the passage of the Bill and beyond, in the lead up to implementation of the reforms.

As with previous local government finance legislation, this Bill will provide the necessary framework to implement the new finance system, with much of the detail following in regulation. Taking such an approach will allow us to continue to work closely with interested parties over the coming months on the more detailed aspects of reforms. In addition, the

Government intends to publish further consultations on 100% Business Rates Retention and the Fair Funding Review shortly, which I would encourage you to read.

The Bill also includes additional local government finance measures that support local businesses and premises owners, reforms to business rates announced at Budget 2016 and Autumn Statement 2016, and measures to improve business rate billing arrangements for businesses.

The Bill will:

- Move towards greater self-sufficiency and the phasing out of the majority of central government grant;
- Amend the current local government finance settlement process and the related approach to the setting of council tax referendum principles reflecting the move away from grant funding;
- Allow areas outside London to establish property owner Business Improvement Districts (BIDs);
- Allow for a change to the main measure of inflation rate for business rates, which will deliver a reduction for businesses;
- Ensure small businesses in rural areas have access to the same level of business rate reliefs as those in urban areas;
- Provide a new relief for five years for the installation of new optical fibre;
- Provide a new discretionary relief for public toilets to reduce the costs on local authorities of maintaining these facilities;
- Require local authorities to offer online billing for business rates;
- Provide statutory guidance to make business rates bills more consistent;
- Allow Her Majesty's Revenue and Customs to develop digital services for business rates Billing Authorities.

We want to continue to work closely with local government and businesses throughout the passage of the Bill. Of course, we would be happy to discuss the Bill in greater detail with you or your officers if you would find that helpful.

*Yours sincerely,*

*Marcus*

**MARCUS JONES MP**

*PS. It was a goal to meet you this week.*

Members will recall that RSN work in this area was agreed by the AGM main meeting. This brief report sets out where we are on this topic as a whole. Towards the end of this brief report it begs the questions that perhaps the Executive need to consider at the present time.

# VULNERABILITY

## IN RURAL AREAS

### RURAL ENGLAND

- An Essential Services Rural Vulnerability Group (ESRVG). (n.b. The Utility Companies tend to call the process 'safeguarding') There might be three meetings a year- one possibly for company Chief Executives or their like who would look at the legislative position relating to this area.
- An annual paper on vulnerability as prescribed by the ESRVG Group would be undertaken by Rural England researchers.
- A special area of the [www.RuralEngland.org](http://www.RuralEngland.org) website would be set up and this would be dedicated to this area of work
- The Rural Vulnerability Service- although produced as a RSN bulletin once every 3 weeks it is on the Rural England Work Plan ( when RE finance allows) to seek to expand its dedicated research potential in its three topic areas of Broadband, Fuel Poverty and Transport),



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## JOINT WORK

- A special meeting every two years bringing together utility operators and local authorities
- Statistic information specifically on this subject issued every six months to both the ESG and any Councillor Social Care and Rural Vulnerability Group ( Dan Worth)

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## RURAL SERVICES NETWORK

- A Parliamentary Vulnerability Day.
- ? A Parliamentary Campaign Group- should we achieve sufficient momentum in parliament to do this.
- Significant work to seek involvement with community councils, parish councils, church councils, local facilities funded by the ESG membership fees (this can only be done if sufficient organisations support the relevant part of the ESG.)
- Should the two Councillor Social Care meetings placed in our meetings programme this year (when the Rural Assembly is running) be expanded to also include Rural Vulnerability (such change would need to be decided by the Executive on the 9<sup>th</sup> of January) This would give us a meeting of Councillors in the RSN

side of the equation as well as the ESRVG on the Rural England side of the equation.

- Do we set up a subgroup of the Community Group to cover Social Care Organisations who operate care facilities?  
Presumably if so such a group lies on this side of the equation
- The Rural Vulnerability Service- basically a RE service (with support From Calor) which RSN buys into and circulates to its members. Rural England have in their projects programme the improvement of this service.

# **A FIVE YEAR SCHEME TO BETTER SAFEGUARD AND ASSIST PEOPLE WHO ARE, OR BECOME VULNERABLE IN RURAL AREAS BY THE ESTABLISHMENT OF AN ESSENTIAL SERVICES RURAL VULNERABILITY GROUP.**

This is the first report, given its importance and the involvement of both organisations, which is being presented jointly to the Rural Services Network as well as to the Rural England Stakeholders. Obviously this is a new area for both organisations and discussions are ongoing with a range of organisations about this topic. These are the proposals as they stand currently. Any suggested variations will be reported if and as they occur.

## **1. INTRODUCTION**

The phrase 'safeguarding' is used by Water and Energy Companies as they seek to give vulnerable customers throughout England special attention. This may be about trying to ensure that supply is continued wherever possible or about special tariffs that may assist customers who are vulnerable. This work is often done with their regulator Ofgem (Energy) or Ofwat (Water). Similar requirements are likely to fall on the telecom and broadband industries sometime in the future with Ofcom as the regulator here.

The main form of assistance to people who are or become vulnerable (including those who only become vulnerable for a period of time) is to enter themselves on a list kept by power distributors and power providers which is known as The Priority Services Register. People here are given, if possible, special attention when supplies are interrupted, or are about to be, by their power distributors and are also kept informed about Fuel Poor Discounts, Energy Saving Schemes, Tariffs, Switching and Home Heating Support by their power providers.

Slowly The Priority Services Register, which was kept separately by a number of organisations, is coming together and it will gradually become a common register for energy and water and probably telecom and broadband in the future

The onus is for people to be aware of the register and through their power distributor provider or Water Company to explain why they should be on the register and get themselves registered.

We believe that the traditional approaches to 'safeguarding' struggle more in rural areas of England.

This is serious, as in rural areas there is a struggle to provide a full range of public services and the austerity cut-backs will have worsened the situation. In rural areas, because of scattered population patterns, undeniably an extra layer of vulnerability exists for a greater percentage of residents than elsewhere in the country.

The position will of course be particularly bad when something goes wrong and services which are normally taken for granted go down.

The demographic position currently is there are significantly more elderly people in rural areas than elsewhere in the country. However the projections for the decades ahead show that gap widening very materially. By 2039 it is estimated 1 in 3 people living in a rural area will be over the age of 65. By then it is estimated that the number of people aged 80 and above will be 11% of the rural population (currently it stands at 6%).

Another worrying statistic relates to the average wage earned in a rural area by people working in the area. It is currently 19 % down on the national average and seemingly falling further back as every year passes. For those tempted to try to get out of that poverty trap by getting a job outside the area they live in the cut backs in subsidised public transport in rural areas has, even between 2004-2014 (mostly before recent austerity cut backs took place) fallen by 40%. No subsidy no service is of course likely to be the outcome.

Consequently the need to get information out to rural residents about things like low income discount and warmer homes initiative is an imperative.

Again, in rural areas, there is a further problem in relation to fuel poverty because properties tend to be older and there is consequently a higher percentage of hard to retain heat, single skin properties, and a lack of scale in rural areas (where properties are more scattered) when attempting remedial schemes. With fuel costs likely to rise back up considerably over the coming decade there is a real cause for concern here as well.

It is easy for vulnerable individuals and families to be hidden in rural areas because, even at the most local scale available, statistical data is likely to include a much more socio-economically diverse mix of people than might be the case in, say, an urban housing estate. Because they are difficult to identify, and their needs are often more difficult/expensive to address, there is a real danger that the needs of vulnerable rural people are neglected.

There is certainly much more of a challenge in identifying who they may be and encouraging them to register.

The following table sets out the problem which we feel emphasises the pressing need to do something about this issue.

Specific to Rural Challenges	Comment.
<p>1.Safeguarding- Identify current differences between rural and urban approaches</p>	<p>We believe there are fundamental differences</p> <ul style="list-style-type: none"> <li>(1) Spatial targeting of initiatives is easy and cost-efficient in cities, but rural needs are rarely concentrated.</li> <li>(2) Vulnerable groups are scattered and more difficult to identify than in urban centres.</li> <li>(3) Some indicators traditionally used to identify needs are less relevant to rural areas.</li> <li>(4) Difficulties (e.g. with transport) that some rural people face accessing urban-based facilities and help.</li> <li>(5) Lack of information services or points in rural areas.</li> <li>(6) Institutional capacity of bodies that may help vulnerable people can be limited e.g. size, resource.</li> </ul>
<p>2.What people are difficult to reach in rural areas</p>	<ul style="list-style-type: none"> <li>(1) The very old</li> <li>(2) Low income families</li> <li>(3) Disabled people</li> <li>(4) People with long term health issues</li> <li>(5) Carers</li> <li>(6) Single parent households</li> </ul>
<p>3.Why messages are not getting through in rural areas</p>	<ul style="list-style-type: none"> <li>(1) Many organisations use the same communication line for rural and urban areas. It's called 'mainstreaming'. It's cheaper but not particularly effective.</li> <li>(2) Stoical attitude and reluctance to seek help.</li> <li>(3) Residents without an online presence.</li> <li>(4) Really poor broadband connections can be as bad as no online presence at all as people fail to make proper use of it.</li> <li>(5) It is much harder to target messages when target group is scattered.</li> </ul>
<p>4. Smart Meters Technology promises ways of programming usage that can materially reduce fuel bills without any inconvenience to customers. However this can only happen where appropriate wifi connection exists. While smart meters can therefore be introduced in urban areas it is not possible currently in rural areas. The cost of broadband connection may be prohibitive to many and many older residents may not be comfortable with IT.</p>	<p>How can this technology be used to benefit rural areas and the fuel poverty situations that lie there.</p>

We will undoubtedly need the help and support of the Ofgem, Ofwat, and Ofcom regulators here. Rural areas comprise some 75% of England's land mass and about a fifth of its population. Given the rural characteristics we have just outlined it would be a really good sign to see rural areas inputting into initiatives like the Priority Services Register at twice the average rate of other areas - say achieving some 40% of the registered addresses across England. We obviously have no direct access to this confidential register but we suspect that any detailed scrutiny of it would reveal the percentage of rural addresses on it would in fact currently be significantly lower than the 20% of population that would constitute the statistical norm. We would like to work with the regulators and the companies on this. We do think it is vital work and will become more so given the trends we have outlined. We do not think the messages that water and energy companies so earnestly try to get across does in fact currently register as strongly as it should in rural areas.

There are, from our viewpoint, two key areas where after five years (during which time the number of people above 65 and 80 will have increased) we should be able to demonstrate how successful or otherwise the scheme has been

- Is the situation in rural areas better or worse than it was before after examining relevant material?
- Is there indication of involvement of wider lines of communication across rural areas?

## 2. THE PROPOSED INITIATIVE

We do feel an initiative is urgently required.

We suggest the initiative is for an initial five year period to allow for review and assessment towards the end of it by all involved.

If the initiative can be voluntarily taken up by all in the energy and the water industry we do feel it can consequentially be relatively inexpensive to all the companies we need to be involved.

We appreciate that, particularly in the energy sector, there are large and smaller companies. We would therefore suggest a two tiered approach so that it does not act as a deterrent to any company. The two levels of involvement would facilitate the involvement of all at their own chosen level so that vitally the scheme can achieve its maximum coverage and maximum benefit.

We would propose two forms of involvement.

SILVER involvement as a Supporter of Rural England at a rate of £500 p.a. for the five years.

GOLD involvement at an overall rate of £2000 p.a. for five years.

We of course need to point out that, for Rural England and RSN to be able to carry out what is suggested below, is entirely dependent on the number of members becoming silver or gold members to generate the funding to both pay for the work and to generate additional research funding for Rural England CIC.

Before the scheme commenced we would seek to establish, with the regulators, how the outcomes from the initiatives could be measured, to see to what extent the initiative had changed the involvement of people in the many rural areas of England with issues like registration on the Priority Services Register, take up of Low Income Tariffs, Warm Home Discount opportunities etc. We would welcome being built into the programme periodic reports from Ofgem and Ofwat into the rural statistics so that relevant meetings can monitor progress.

We would make it clear even at this stage that rural areas with their scattered population patterns and the somewhat stoic attitude of many of the 'proud' rural residents are unlikely to be easy. However we do believe that given the clearly growing problems it would be ridiculous if no special initiative was attempted. At the moment we understand that there are no targeted rural initiatives. We do feel the position can significantly be improved and as we later outline we do also believe some parliamentary pressure can be brought to bear.

(We would also plan a separate but similar initiative with Ofcom and the phone and broadband companies. Our instinct at this stage is to keep that initiative a separate one given the relative newness of the question of safeguarding in those sectors).

### 3. SUGGESTIONS FOR THE PROPOSED INITIATIVE OF THE CREATION OF THE ESSENTIAL SERVICES RURAL VULNERABILITY GROUP.

(1) THE SILVER INITIATIVE (£500 a year). Supporters of Rural England become free members as they will, as supporters already, be contributing this amount.

Membership will comprise the **One General Meeting**

It will be one full day General Meeting of an Infrastructure Providers Group a year centred largely on rural vulnerability for all who had enlisted. In this way all infrastructure supporters get input from a small £500 annual contribution and there is the opportunity for discussion about the overall position with everyone. Companies who wish to can then choose to benefit through deeper involvement via membership to the gold level.

All people who had enlisted would also be recognised as full Rural England CIC Supporters and they would receive recognition as such alongside other supporters. The Rural England website and the 'England under a Rural Lens' periodical will outline their involvement.

The agenda for these general meetings, over the five year scheme period, would each year have one of the following considerations:-

Specific to Rural Challenges	Comment
1. Broadband (Difficulties with rural topography and lack critical mass for fibre solutions)	This would be vital work. Technological advances mean nothing if reasonable speed of broadband cannot be achieved. Smart meters schemes are not possible in rural areas currently and this will put people living in rural areas at a severe disadvantage in comparison to people living elsewhere in England.
2. Fuel Poverty (Distinctive rural problems- older housing stock, often single skin, large areas off grid making fuel poverty more difficult to avoid, lack of scope to undertake 'mass' schemes).	Targeted discussion and dialogue needs to be commenced if a rural case is to be taken forward and specifically targeted initiatives undertaken by Government.
3. Considering the latest information on demographic trends and problems arising that will be affecting rural areas	The trends are showing an increasing number of elderly people in rural areas and this is really vital consideration.
4. Rural Vulnerability Day- we are arranging with MPs from Rural Constituencies for there to be a specific parliamentary day annually when a series of sessions would take place on the numerous question of rural vulnerability or safeguarding.	To consider the messages the group want to feed into the meetings on this day and to consider arrangements for the day itself.

## (2) THE GOLD INITIATIVE

This will involve specific detailed work on safeguarding and vulnerability issues.

It is hoped that all 12 Water Companies, 11 Distribution companies and the Big 7 Energy providers and a fair number of the larger newer providers as well will all wish to be involved in this.

The cost will be an additional £1,500 per year to achieve this service (making £2000 p.a. in total).

There would be three areas of activity relating to this service.

### (a) Officer Meetings

There would be, it is suggested, Meetings twice a year and they would look at the following issues. It is appreciated however that this is a long list and clearly each meeting could probably do justice to no more than three or four of these items which will therefore require pre selection by the previous meeting.



## MEETING CONSIDERATIONS

<p>1.Working at a strategic level with national and rural organisations i.e. Water Council, ACRE, and NALC,</p>	<p>Unfortunately many organisations tried to “mainstream” rural. Because of (1) and (2) above it is not that simple. The partners listed here have a specific rural interest.</p>
<p>2.Role of rural roadshows, library van rounds, local shops, pubs , doctors surgeries</p>	<p>The organisation we list and the approach taken will be very different to urban areas. We would seek to keep a list of these opportunities.</p>
<p>3.How do we join up with people also giving similar messages</p>	<p>We suggest one of the three meetings does just that. We do need to use existing conduits as well as creating new “rurally proofed” ones.</p>
<p>4.How do we get parliamentarians from both Houses involved</p>	<p>1. We suggest a specific day a year called a Rural Vulnerability Day (if parliamentarians are agreeable) with campaigning generally on vulnerability. 2. We would also try to arrange for one of the Peers with a particular rural interest to keep the question of rural safeguarding in the forefront of his/her H of L colleagues at all appropriate opportunities.</p>
<p>5.What role do local community websites have to play</p>	<p>These sites are very much on the increase. Parishes are required (by new accountability standards issued by Government) to either have their own website or to be enjoined in a local community site People will have the most affinity with the parish they live in and will tend to go to that site first and such sites are obvious vehicles for community information.</p>
<p>6.What are the potentials for parish council-local churches involvement</p>	<p>These are the pillars of the rural community. This information needs to be kept fully up-to-date and held centrally. We are prepared to do that, ACRE are a possible work colleague here</p>
<p>7.Absence of advice in very rural areas-</p> <ul style="list-style-type: none"> <li>• Lack of CAB</li> <li>• Age UK</li> <li>• People in peer groups</li> </ul>	<p>The group needs to consider the appropriate mechanism for rural areas. Lateral thinking is required not conventional communication links.</p>
<p>9.There is an embarrassment factor about seeking help in a tight knit community and therefore consequently lower social support aspirations</p>	<p>Again this is a further area where practical answers are difficult. It is clear though that special consideration needs to be given to this factor.</p>
<p>10. Sheer physical isolation in deep rural areas</p>	<p>Learning from other countries who have even more sparse characteristics.</p>
<p>11. The need to join up all utility providers Local Authorities-Energy- Water- Phone- Broadband so that issues and solutions can be shared</p>	<p>We hope the arrangements on which we are building Rural England will help achieve excellent liaison arrangements.</p>
<p>12. Best practice on community based solutions</p>	<p>These are particularly relevant as they relate to rural areas. Through our Call for Evidence system again we feel we are one important step ahead here.</p>
<p>13. Best use of local authority council tax and water bills one of the few ‘official’ communications that go to all households however remote in rural locations</p>	<p>Vital that best practice is identified here. Communication in this way may be one of the very few opportunities to reach ‘hard to reach’ people and families.</p>

14. Amending Legislation/Regulations	To discuss what particular piece(s) of legislation/regulations are pertinent to their rural operation - the group might seek to persuade MPs about both through the vulnerability day or generally.
15. An intended special meeting every two years.	A specific national summit or conference taking place biennially. This large meeting would involve the sweep across representatives from hopefully all rural local authorities, all phone and broadband operators all members of the group to consider 'in the round' the question of rural vulnerability and safeguarding with a view to the creation of as much joined up thinking and exploration as is possible.
16. Surveys by the Rural Panel we are establishing and the Rural Sounding Boards	To establish how well known or used items like The Priority Services Register are.

Discussion in the morning session of these meetings would be structured around comparison of best practice and discussion of any current difficulties being experienced. There would be a sandwich lunch on each occasion. During the afternoon there would be 2 presentations on a particular topic chosen at the previous meeting followed by a short conclusions session. A short paper from Rural England, limited we suggest to some 1500 words, might be provided annually to consider one particular item. Rural England would undertake the agenda service, room booking, lunch, speakers' costs and the commissioned paper and keep open book accounts.

#### (b) Specific Work To Assist Gold Initiative Members

In addition to bringing together these meetings, we would wish to assist utility companies by undertaking the following operation initiatives for gold members. The progress of the work detailed would of course be governed by the level of membership income generated. A lot of this is RSN work.

Specific to Rural Challenges	Comment
1. Establishing data to provide contact points for all rural parish councils, local churches, parish church councils, and other appropriate contact points.	There are some 10,000 rural parishes. This is detailed but essential work.
2. Establishing data relating to rural websites, getting links for 'safeguarding' information to appear on these sites.	Again there are 10,000 parishes involved.
3. Getting information on the local roadshow approach of rural councils, County Council library van rounds, local shops and pubs, doctors surgeries and schools	Finding out details of how information can be sent out is vital. A truly comprehensive central database has to be built and RSN can incrementally achieve this.
4. Putting together rural neighbourhood statistics to help to identify the geographic spread of 'vulnerable people'	Through the RSN Observatory we will seek to do this.

5. Get details of all the rural community based magazines and local authority newsletters	Again this is a comprehensive central resource we would seek to gradually achieve.
6. Best use of local authority mail shots	We are prepared to try to marry specific messages the gold member companies want to pass on to their customers in local authorities who are in membership with us and, seek to dovetail these messages with mail shots these authorities are sending out. This would be a special bespoke service.
7. Use of RSN Rural Sounding Boards (Youth, Small Businesses, School Governors, and Parish Councillors) and the proportionately selected Rural Panel	We are creating these Sounding Boards and this Panel. This section of the ESRVG will have use of this for rural surveys if they wish to undertake them.
8. Use of the following websites which RSN are responsible for :- <a href="http://www.rsnonline.org.uk">www.rsnonline.org.uk</a> <a href="http://www.ruralengland.org">www.ruralengland.org</a> <a href="http://www.nationalruralcrimenetwork.net">www.nationalruralcrimenetwork.net</a>	
The RSN puts out a weekly Digest which goes out to some 23,000 rural email addresses.	For members of the Gold Initiative we will publish once a year a report on their work in specific relevant areas as they wish.

### (C) General Initiatives

- (1) As said we very much believe in the establishment of networks to allow the sharing of experience and joint working. We are prepared to advocate as part of this initiative a system where local councils (parish/town) are asked to nominate either one of their number or an outside volunteer from their parish area to link with others in undertaking work and understanding in this particular area. We would also seek to work with the Rural Community Councils in England (and which are based on County areas) in the hope they could reinforce the importance of trying to establish this e-network of local councillors to work on this whole question of rural vulnerability. As they become established details of local nominees would be provided to Gold Initiative members.
  
- (2) In relation to the work of the Rural England Infrastructure Supporters as a whole we would also attempt to set up liaison arrangements with one of the larger nationwide volunteer groups such as the Rotary, Lions International or the Round Table to seek whether, through their large and diverse system of membership, they might be able to inform the Group about individuals who, through circumstances beyond their control, could be regarded as vulnerable and encouraged to register on the Priority Services Register.

Monitoring of these measures would be undertaken by the ESRVG Gold initiative members.

## PART TWO

### FINANCIAL SITUATION

If this scheme can successfully proceed there are potential benefits that can be identified for both Rural England and the Rural Services Network. At the same time risks exist (as is the case with any new initiative) and we have sought to minimise these through the words employed in the offer.

#### (A) RURAL ENGLAND

There are three meetings to organise and run. We have currently some twenty five 'supporters' from the Water and Energy 'Industries'. We believe there is the opportunity to double that number of what are £500 p.a. contributors (bringing this input to some 50 such Supporters). The commitments requested by the documentation for Rural England are, to run the three meetings outlined (?£2000 a year), and one report on vulnerability a year of about 1500 word length as an outcome document that might be specific to this initiative. This, including the necessary monitoring and evaluation work, might it is estimated be a financial commitment of some?£7000 a year (this estimates to achieving 14 additional supporters). If the number of Supporters could of course be brought to 50 the net benefit to Rural England would be from 36 new supporters (i.e. a gain of £18,000 a year).

#### (B) RURAL SERVICES NETWORK

The higher financial 'commitment' lies here perhaps. Work in this area involves the establishment and documentation of a fairly extensive range of information. There would be a clear need for an additional full time administrative officer (c18k a year). There would be a need for more Directorial level Management Resource to lead forward this work area. (say c15k a year). This could therefore be a total commitment towards 30k. The potential income of the extra £1500 each from 12 Water Companies, 11 Energy Distributers and the 7 Main Energy Providers is c£50k. A potential surplus of some £20k a year.

In the documentation we have sought to dovetail progress in the scheme with the level of financial support produced. That, we would argue, should limit the financial risk although the more nervous wording that has to be used consequentially does produce perhaps a situation of ambition as opposed to the more desired certainty of outcome.

### CONCLUSION

This is a report that it is believed has the capacity to anchor the role of both organisations in pivotal work both inside and outside the rural communities of England. It is in every sense of the word a big report.

The demographics for the future composition of rural communities in England are going to present severe challenges for those communities. We suggest this joint report demonstrates both organisations will act very positively to assist.