



SPARSE Rural Unitary Group
LGA Conference 9th July
2014

Background to the Groups

- Formed at the request of the Member Board in April 2014
- Lead Officer - Helen Briggs CEO Rutland County Council
- Matt Barton Deputy Lead Officer - Cornwall
- The sub groups:
 - Broadband – Matt Smith (Herefordshire)
 - Finance – Sav Della Rocca (Rutland)
 - Transport – Matt Sidney (Cornwall)
 - Adult Social Care – Helen Coombes (Herefordshire)

Adult Social Care, Health and Public Health

Authorities Contributing

- Rutland,
- Cheshire West and Chester
- Somerset
- Cheshire East
- Cornwall
- Shropshire
- Herefordshire

Key Issues and Additional Cost Drivers

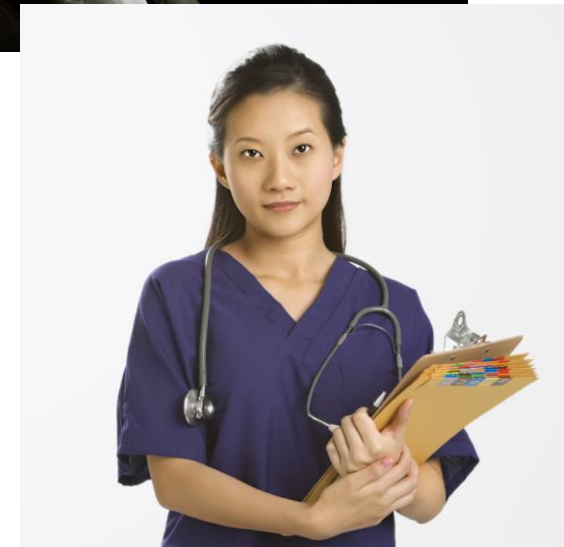
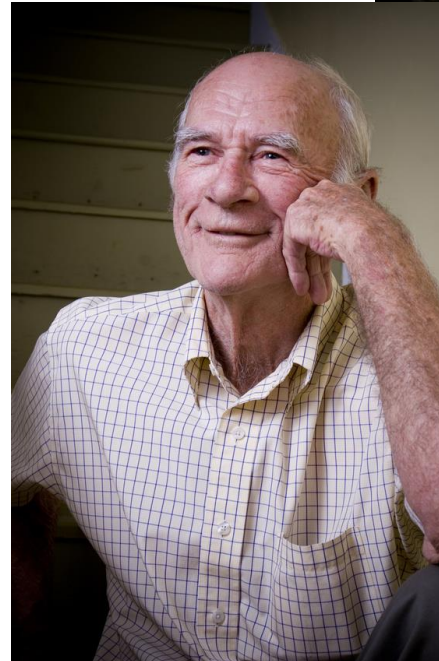
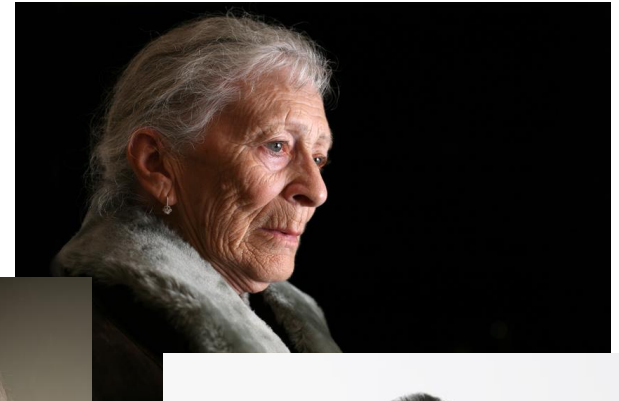
Logistics Costs

Technology Infrastructure

Market Maturity

NHS System Costs

Workforce Scarcity in Professional Groups ie Social Work and Public Health



Adult Social Care, Health and Public Health

New Challenges

- Care Act
- Children's and Families Act
- Better Care Fund
- NHS Cost Pressures
- Culture and Community Expectation
- Population and Health and Social Care Inequalities
- Market Failure

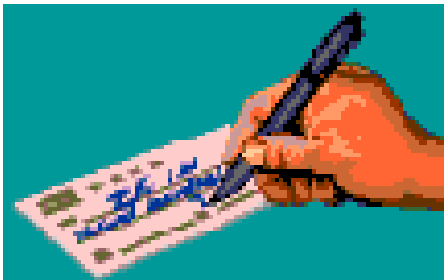
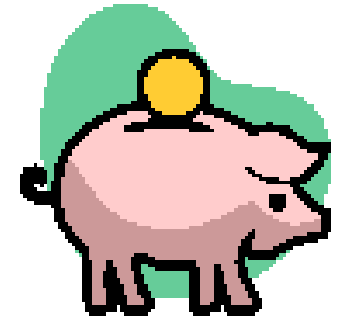


Opportunities and Examples of Good Practice

- Health and Social Care and Finance Commissions – a ‘unique’ opportunity
- Shropshires ‘Lets talk Local’ approach
- Time Banking in Cornwall
- Herefordshire Business Development approach to Domiciliary Care Market Development



Finance Thematic Group



Finance – what we have done

- Three ‘virtual’ meetings to discuss finance issues affecting member authorities
- Considered whether member authorities have additional evidence of ‘rural premium’
- Undertaken an analysis of 5 year reserve balances for member authorities
- Started some analysis regarding funding levels and the impact of damping
- Considered example uses of ‘Rural Delivery grant’

Finance – conclusions/actions

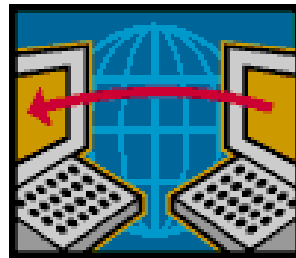
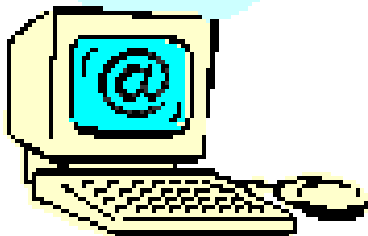
- ‘Rural premium’ – agreed to respond to ‘calls for information’ through the Central Government Rural Funding Review
- Group unable to show tangible evidence of how the Rural Delivery grant is used because it is received late and has been materially insignificant
- 5 year reserves position varies – mostly reserve levels will be stable/decrease other than for those authorities which have a low starting point
- Removing ‘damping’ would have a positive impact on majority of group members

Finance – future work

- Respond to ‘calls for information’ from the Rural Funding Review
- Joint working on topics to be agreed
- Complete work on ‘damping’ and funding levels
- Support finance elements of other groups as appropriate

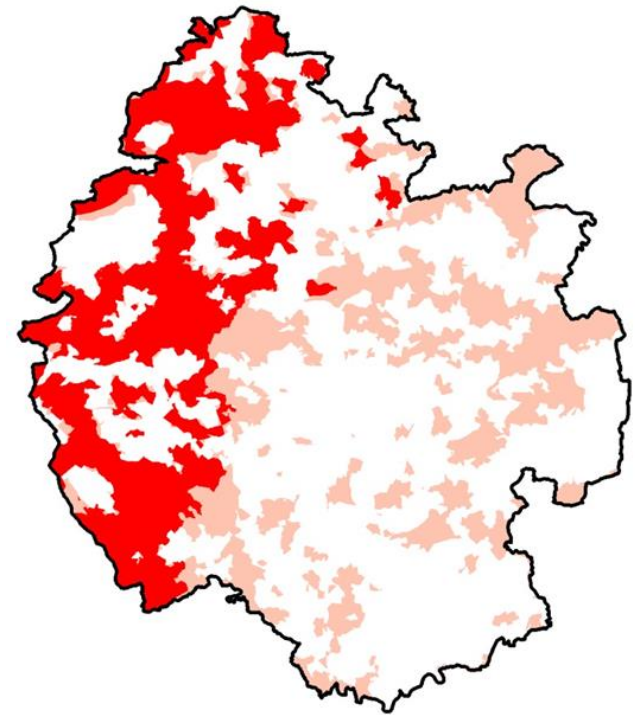


Broadband Thematic Group



Final 10%

- >10% in many Sparse authorities cases as will be the case with the final 5%
- Disproportionate effect on deeply rural areas
- Disproportionate costs for sparse authorities in tackling the Final 10%



Red = Final 10 as it correlates to Sparse LSOAs
Pink = Final 10 as it correlates to less Sparse LSOAs

£2,219 Indicative per premise cost of >24Mbps in the F10 of Sparse Authorities

92% Public Intervention Rate

Dwindling potential of FTTC. FTTP extremely expensive, average cost of **>£3k** in the

F10 of Sparse Authorities and **>£4,500** in deep rural areas

Superfast Extension Programme

- BT need to provide the estimate of additional coverage that could be achieved for the SEP allocations.
- Without this, its difficult to say whether Local Authority allocations are enough or that additional investment in extending current contracts will provide VfM
- A risk that funding for the Final 10 will be directed back into the first 90% due to BTs commercial underperformance in Urban Areas

Looking Ahead

- Resources for Demand Stimulation are now critical to realise the projected benefits
- Evaluation also critical to understand the impact of public subsidy but requires the release of business & residential take up data at meaningful levels of granularity
- BDUK interested in the conclusions from this work at Ministerial level

Considering Alternative Approaches

- NCC / EC need to relax the state aid requirements re demonstrating a fibre roadmap & open access & should enable subsidies in the final 10% to any supplier that can deliver >4x uplift even if it's only 8Mbps
- All local authorities involved in the SEP should conduct their Open Market Reviews at a premise not post code level
- Central Government needs to protect Local Authorities against any negative implications as a result of de-scoping areas of the Final 10% from existing contracts
- Ofcom to enable regulated access to BT infrastructure by mobile operators to access backhaul for 4G



Transport Thematic Group



Rural Transport - Key Challenges

The group identified some key challenges that were emerging in the delivery of rural transport services:

- High cost of service delivery to Local Authorities
- Cost to the user
- Ability for people to access services and employment
- Quality/standard of infrastructure/service provision

Rural Transport – Data Gathering

- Evidence of differences in cost to deliver public transport between urban & rural areas
 - Bus subsidies & ENCTS costs
 - Average bus fares
- Evidence of difficulties in accessing services & employment in rural areas
 - Accession (software) data
- Evidence of disparity in quality of transport between urban & rural areas
- Seeking best practice examples & case studies

Rural Transport – Key ‘Asks’

The group identified the following as the key ‘asks’ that would be progressed at this stage:

- National funding initiatives to include rural focused challenges as well as urban
- Change in bus regulations to allow greater local governance. This long term approach would need primary legislation
- Change to the funding formula to allow for the additional cost of delivering services in a rural area.

Overall Conclusions

- The three initial groups have made some good progress but are now gathering momentum
- More members would add 'richness' to the mix
- Virtual meetings are working and are an effective model!
- Anticipate a further progress in 3 months time will demonstrate real progress

Next steps

- Continue the work already started
- Are there any further groups required?
- Expand membership of the groups
- Regular updates to the Board
- Consider one group reporting in detail to board at each of its meetings – Transport?



Any Questions?