



Department for
Communities and
Local Government

**Department for Communities and
Local Government**

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**Department for Environment, Food
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16 July 2014

To: All local authorities

Research project: Cost drivers of service delivery in rural and non-rural areas

Dear colleague

DCLG and DEFRA have jointly commissioned LG Futures to undertake a research project to establish whether rural authorities face additional and unavoidable costs in delivering services, compared to urban authorities.

As part of this research, we are inviting all authorities nationally to express interest in taking part in the fieldwork element of this research. The research will consider both rural and urban factors. For example, rural authorities may face cost pressures due to distance, but urban authorities might equally face cost pressures for the same service due to congestion.

We have worked with stakeholders to understand the drivers for service delivery and the issues that are specific to rural areas. This research will provide evidence which will help us to assess if there are unavoidable additional costs in delivering services in rural areas. It will involve the Local Government Association and the Rural Services Network, as well as a range of rural and urban authorities, and is expected to report in the autumn.

The research aims to:

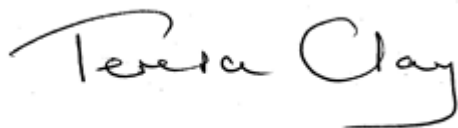
- review the evidence for costs and cost drivers for rural and non-rural service delivery
- measure and attribute the unit costs of local authority services as accurately as possible given the evidence
- determine the differences between rural and non-rural costs, and any unavoidable costs for rural areas, which are additional to those for non-rural areas.

The data, evidence and conclusions from the research will form part of the evidence base for future decisions on local government funding. We are therefore keen to ensure that the sample of both urban and rural authorities is as representative as possible. Twenty-five authorities will be invited to form part of a stratified sample which has been carefully designed to capture the main types of rural and urban authority and take account of geographic and demographic factors.

The fieldwork with these authorities will involve a combination of qualitative interviews with key stakeholders within your authority and completion of a short quantitative survey for selected services, which are considered to potentially incur additional unavoidable costs.

We anticipate the internal time input required per service to be around 1 day. The fieldwork will commence towards the end of July and will be completed by the end of September 2014. Full support from the research team will be made available to participating authorities.

If your authority would like to participate, please contact rebecca.johnson@lgfutures.co.uk by **Wednesday 23 July 2014**, or if you would like to discuss the research in advance, please contact jude.ranasinghe@lgfutures.co.uk – project manager at LG Futures.



TERESA CLAY
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JOHN COLEMAN
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