

Rural Services APPG

Notes of the All-Party Parliamentary Group on Rural Services

Tuesday 25th October 2011, 8:30am-10:00am
Dining Room C – HoC

In attendance:

Members:

Graham Stuart MP – Chairman
The Baroness Byford DBE
His Grace the Duke of Montrose
Dan Rogerson MP
Rory Stewart MP
Anne Marie Morris MP

Rural Services Network (RSN) (Secretariat):

David Inman - Director
Wendy Cooper – Administrator

Speakers:

South Shropshire Housing Association
Martin Holland, Chief Executive

Spectrum Housing Group

Stuart Davies, Neighbourhood Services Director

1. **Notes of the Previous Meeting (AGM) – 29th July 2011**
Agreed.
2. **Rural Housing**
 - (i) **South Shropshire Housing Association**
Presentation by Martin Holland, Chief Executive

Allocation of funds to rural housing associations

Martin explained that only 9% of the total housing funds available via the Homes and Communities Agency (HCA) had been allocated to rural areas despite the fact that approximately 19% of the population lived in the countryside. This disproportionate level of support had been recognised by Elinor Goodman in her report on affordable housing and also in the Matthew Taylor report.

The problem was exacerbated by the practice adopted by the HCA of dealing only with the larger providers who lead consortia for bidding arrangements. Larger providers were almost always urban centric and this did not encourage the rural providers who were often more specialist and inevitably not urban based. HCA should be encouraged to enable rural specialist providers to bid for funds in their own right and a “top-slice” of funding should be set aside for rural areas as was the case prior to 2008.

Exception sites development

The use of exception sites planning arrangements and S106 Agreements had been a very valuable tool for rural housing provision over many years. The NPPF consultation was silent on exception sites and ministers should be encouraged to make it clear that there was no intention in the new slim-line arrangements to end the facility for exceptions development.

Housing Assessments

Local authorities should be urged to ensure that their rural areas had robust housing assessments to clarify the extent of rural housing need.

Community Infrastructure Levy (CIL)

In producing their local arrangements for the introduction of CIL it should be made clear that the levy should not be set at a level which would lead to developers arguing for the removal of affordable housing quotas on the grounds of scheme viability.

Welfare Benefit Changes

The move to Universal Credit was broadly welcomed and the demand for a simpler, fairer system acknowledged. However there were some of the changes which would unfairly impact on rural areas and this was especially so in the Housing Benefit (HB) regime. The need to under-occupy some social housing in smaller settlements and villages had long been acknowledged to support sustainability. A young couple may well need a 3 bed house to allow their family to expand without the need to move home and the disruption which this entailed. Apart from anything else there was rarely a broad enough supply of homes to facilitate such moves. The under-occupancy rules being introduced into the HB system might force people to move to smaller homes simply because benefit would be withdrawn. Designated rural area should be exempt from this arrangement.

(ii) Spectrum Housing Group

Presentation by Stuart David, Neighbourhood Services Director

Stuart made a presentation on the importance of affordable housing in rural communities. It was noted that services in rural communities were being depleted with 13 rural pubs closing every week, 62 village schools being closed between 2004 and 2008, since the year 2000 a fifth of rural post office had gone added to which the Rural Shop Alliances had projected that 400 shops were likely to close last year.

There were a number of barriers that faced young people who wanted to live in rural communities. The Right to Buy had seen affordable homes in rural communities reduce substantially. The average first time buyer was 31 (37 where they had no help from relatives) with many unable to buy without family support, average income in a rural location was lower with average house prices being higher. There was a need to stimulate economic activity building was a good stimulant and in rural locations could make the difference in securing the continuation of local services.

The National Planning Framework was good for local decision making however it was felt that the introduction of local referenda could destroy the good efforts made by local communities. Immediately dismantling Regional Spatial Strategies had led to a reduction in planning permissions. One of the main issues was that the term 'sustainable development' had yet to be defined.

It was felt that housing associations could play a large part in delivering 'the Big Society' as they were in it for the long term, owned rural shops, delivered apprenticeships, supported credit unions and were in business for neighbourhoods. It was also felt that they could provide more examples of the first class projects showing good development in rural areas, proving that small developments can be provided that are hardly noticed in the village environment.

3. RSN Update – Fairer Funding

David Inman gave members an update on the Fairer Funding Campaign. Research released in 2009 showed by the funding gap between urban and rural areas had grown dramatically since 1997 and now stood at £163 per head. This was not because of a shift in needs over that time but the result of the previous government's alternations to the distribution grant to favour certain types of urban authorities. The RSN had long been concerned that the 4 Block Model used for distributing central government grant had failed to properly recognise rural deprivation and the significantly higher delivery costs of some important services in predominantly rural areas. The RSN had recently undertaken further research and as a result was calling on the government to use the Local Government Resource Review to end the inequality and reduce the deficit from 50% to 40%. Specifically the RSN was calling on the Government to:

- Increase the Environmental, Protective and Cultural Services (EPCS) district sparsity indicator by 50% and reduce the density indicator to offset the extra relative needs formulate (RNF);
- Reinstated the EPCS county sparsity indicator removed in 2003-04, offset by reducing the density indicator by about one quarter; and
- Double the existing discretionary Older Peoples' Personal Social Services (PSS) sparsity adjustment from 1% of total funding to reflect the very real costs of delivery domiciliary services in remote communities.

In addition to changes to the funding formula, the RSN is also calling on the Government to:

- Revise the baseline to ensure that the gains to rural areas go some way in rectifying past wrongs are not neutralised by damping; and

- Increase the Fixed Cost Allowance within the formula so that it reflects the impact of inflation since it was last fixed.

Given the relatively small size of rural authorities compared to urban ones, the effect of these measures on other authorities would be small. It would not create significant change or turbulence for local authorities at the start of the new system.

4. Next Meeting

22nd November 2011.