

Note of last SPARSE Rural Special Interest Group meeting

Title: SPARSE Rural Special Interest Group – The Rural Sub SIG
Date: Monday 11 July 2016
Venue: Westminster Suite, 8th Floor, Local Government House, Smith Square, London, SW1P 3HZ

Attendance

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

Item	Decisions and actions	Action
1	<p>Notes of the Previous Meeting</p> <p>The Chair welcomed members to the meeting and asked each to introduce themselves to the group before moving onto the minutes from the last meeting - 11th April 2016.</p> <p><u>Decision</u></p> <p>Members agreed the minutes of the 11th April 2016 meeting.</p>	
2	<p>Minutes of the Executive Meeting - 20th June 2016</p> <p><u>Decision</u></p> <p>Members noted the minutes of the 20th June 2016 Executive Meeting.</p>	
3	<p>Election of Councillors to fill current vacancies until the AGM</p> <p>The Chair updated the group on the two candidates filling the Vice Chair vacancies until the AGM.</p> <p>Decision</p> <p>The following be appointed until the next AGM</p> <ol style="list-style-type: none">1. Vice Chair South East; Cllr Janet Duncton from West Sussex County Council2. Vice Chair Without Portfolio: Cllr Sue Sanderson from Cubria County Council	
4	<p>Business Rate Retention - update</p> <p>Graham Biggs summarised some key points from a DCLG consultation paper regarding 'self-sufficient local government', and a call for evidence</p>	

regarding the 'needs and distribution formula'. He further stated that the consultation is a very open consultation and the whole process is at an early stage, with few detailed proposals in place.

Members made the following comments:

- All authorities need to formulate a united response to the business rate retention debate, lest the rural local government voice be lost in the debate.
- The RSN should move quickly once and if a new chancellor is appointed, to lobby for fairer funding for rural authorities who have been particularly hard hit by the austerity programme of central government.

Graham Biggs, Chief Executive of the RSN responded with these comments:

- There was rumour that the plans for 100% business rates retention for local government could be delayed due to the EU referendum result. Furthermore, that this may work in local government's favour should property values fall in a post Brexit Britain.
- The above mentioned working group have committed to a joint response to the business rates consultation, which will maximise rural authorities' potential for gaining an advantageous settlement.

Action

Members agreed to endorse a letter from the Chair to the new Prime Minister and other key Ministers, once they are confirmed, calling for fairer funding for rural authorities.

5 Rural Fair Share Campaign - update

The Chair introduced the item and handed over to Graham Biggs, Chief Executive of the Rural Services Network (RSN) who updated members as follows:

- The Campaign Group was to have met approx. 2 weeks ago; however, with the current political uncertainty in government, progressing the campaign has been delayed for a short while.
- MPs have voiced concerns that the final financial settlement is indistinguishable from the provisional financial settlement. The finishing point is a particular area of concern.
- There are currently no fixed plans to resolve these issues, however a solution should be ready to be put forward in September 2016.
- The campaign has two core messages:
 - 1) Rural authorities require an increase in Rural Services Delivery Grant (RSDG).

- 2) RSDG should be paid to all those authorities which should have benefitted from the DCLG Summer 2012 Consultation
- The campaign is tasked with devising a fairer mechanism for the distribution of RSDG.
 - There are complications with the LG futures process of calculation as many non-rural authorities have been included. This issue needs addressing.

Members made the following comments:

- There is a divergence of urban and rural income and property values which is not reflected in council tax i.e. a low value rural household, with low income, may pay a higher council tax than an equivalent sized, higher value home in an urban area.
- The next two months, with a change of Prime Minister and potentially the cabinet, provide an opportunity for the RSN to pursue its goals in housing, broadband, fairer funding etc.

Action

The Chair stated that during this time of political uncertainty in national politics, the RSN need to take account of members' comments and formulate a response by the start of Parliament in September 2016.

6 Working with DCN & CCN

Graham Biggs updated members on the creation of a working group between DCN/CCN/RSN. The group has been established, and has appointed an independent Chair. The message conveyed by the working group, is that these organisations must work closely together, and speak with a united and clear voice if they are to have an impact on the business rates retention and needs reviews and post Brexit settlement for rural authorities. This includes seeking to prepare a collective financial analysis to mitigate against the differences in how these groups collect and prepare their financial data.

The group will meet again in two weeks to formulate plans for a response to the recent DCLG consultation papers which will be completed in September 2016. The RSN are preparing a list of preferences in order to shape this debate.

Decision

Members noted the work of the working group.

7 Pixel CIPFA FAS - FAQ No1

The Chair stated that this report is a follow up to clarify the detail of the Pixel business rates retention presentation given to the group at the last meeting on 11th April 2016.

Decision

Members noted the report.