

## Note of last SPARSE Rural SubSIG meeting

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**Title:** SPARSE Rural Sub Special Interest Group

**Date:** Tuesday 27 June 2017

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

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Item	Decisions and actions
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**1 Apologies for absence**

**Attendance:**

An attendance list is attached at [Appendix A](#).

**Apologies for absence:**

A list of apologies received is attached at [Appendix B](#).

**2 Note of the Previous Meeting 30 January 2017**

The Minutes from the last meeting were accepted and approved.

Members noted names of those omitted from the original attendance sheet and were reminded of the need to sign this at every meeting.

**3 Note of last Executive Meeting 12 June 2017**

The Minutes from the last Executive meeting were accepted. Members noted matters arising from the meeting.

**4. Funding for other services - urban v rural**

Members received this report which detailed differences in government funding per head between urban and rural areas for 2017/18 Public Health Allocations; Police Grant and Fire & Rescue Services. In all these cases urban areas were better funded per head than rural

The group agreed that the current funding formulae did not enable a fair share for rural areas.. Studies would continue and be discussed again at future meetings.

**5. Manifestos for 2017 General Election**

Members noted the relevant areas of the main party manifestos

## 6. Local Government Finance Seminar

Adrian Jenkins and Dan Bates from Pixel Consulting Limited presented a seminar on local government finance. (See [here](#) for presentation).

Members received an outline of work around fair funding to date, looking at current methodologies and their implications for rural authorities. The speakers outlined recent trends and likely changes in funding up until 2019/20 and provided their thoughts on the unlikely resurrection of the local government finance Bill.

Members noted an update on 100% Business Rates Pilots, which were almost entirely made up of urban authorities. They were reminded to engage and register interest with DCLG in order to also try to benefit from the scheme.

Discussion continued on the historic underfunding and continued gaps between urban and rural areas. Mr Bates outlined work on lobbying on issues relating to business rate retention and suggested ways in which the campaign could be developed by looking at issues that drive growth.

Members noted changes to SFA calculation measurements in 2016/17 which had devastated rural authorities and acknowledged the need to demonstrate that rural areas have a greater need for increase to funding. It was vital to continue pressure and commit to the extra time required for work around the fairer funding review and the formula for distribution.

The following points were raised:

- Concerns that gaps in funding between urban and rural areas would get wider;
- Council tax revenue had been used twice in calculations – this must be acknowledge and addressed;
- Government support was likely to drop in the future with rural taxpayers paying a bigger portion of council tax in order to pay for local services. Members must keep reiterating to their local MPs how much rural areas are worse off and challenge the assumption that local authorities will be able to increase this tax in order to pay for additional social care;
- Members acknowledged strong partnerships with parliamentary groups which have helped in making issues known – it was important to continue this and ensure briefing materials were constantly supplied in order to continue engagement;
- They agreed that it was vital that rural authorities contribute to the debate and raise aspects of unfair funding, particularly around adult social care and the revised SFA formula. More rural authorities need to get involved and engage with their local MPs.
- Issues around funding models were complicated and trying to understand how to influence decisions was difficult, requiring much thought;
- Addressing needs and resources together was of utmost importance in order to assess what would be attainable.

Graham Biggs thanked the speakers for their presentation, reiterating the need for a clear message and joined up agreements between all rural authorities. Members noted the need - despite uncertainties – to get support and commitment from rural MPs and suggested an examination of statistics relating to Northern Ireland, Wales and Scotland in order to draw comparisons.. Colleagues from Pixel agreed to look into doing this research.

Members passed a Resolution to support those wishing to apply for Pilot status and to take forward the argument against unfairness of government grant per head in rural areas.

**AGREED**

- (1) The meeting unanimously felt that the present position relating to rural areas was totally unfair and unacceptable. The meeting noted the ever widening gap between the per head position between urban and rural central government grant funding support. Now that there would be - at best - delay before the introduction of a 100% business rate system under which promises had been made, the RSN should call on government to improve the present inequitable situation, including in the immediate short to medium term.
- (2) Members noted that the case for additional funding for rural areas has been recognised by successive local government ministers: additional weighting for sparsity was added in to the funding formulae in 2013-14, and a new grant was created to provide some support to rural authorities (Rural Services Delivery Grant). Yet significant additional funding has not actually made its way into rural authorities' budgets, largely because ministers decided to damp-away the gains in the funding formulae.
- (3) Members agreed that rural authorities are looking to the Fair Funding Review to both recognise the additional "needs" of rural areas, and to ensure that this results in actual additional funding. RSN therefore will be measuring the effectiveness of the Fair Funding review in two ways. The first is that the weighting for sparsity and other rural factors is properly reflected in the "needs" formulae. The second is that funding actually increases for rural authorities, and that the funding gap between rural and urban authorities is closed both in terms of pounds per head of government grant/redistributed business rates and the amount paid per head by way of Council Tax. To achieve this, the entire "four-block model" should be reviewed to ensure that the intended increase in funding is actually delivered to rural authorities.
- (4) Members noted that the impact of the (50%) business rate retention scheme has been mixed in rural areas, although it is recognised that many rural authorities have benefited from the scheme and would support its extension to 100% retention. In the short term, the RSN's concern is that 100% retention has been rolled-out to urban areas - through the 100% pilots in 2017-18 - but that these opportunities, generally, have not been made available to rural areas. The expected benefits from 100% pilots could be considerable.
- (5) Members agreed that the RSN should press the Government to extend the 100% pilot programme to rural areas in 2018-19. Such a move has the potential to reduce the funding gap between rural and urban areas in the period before this can be more comprehensively achieved by the Fair Funding Review

- (6) Members agreed that urgent discussions take place with the Chairman of the Rural Fair Share Group of MPs
  
- (7) Members agreed that a letter be sent to the Secretary of State indicating that the meeting considered that a position where rural people were being asked to carry an ever increasing council tax burden, many from a lower than average locally earned wage, for a decreasing level of services with an increasing level of gap between government grant funding in favour of urban areas was totally unacceptable
  
- (8) Members agreed that officers be asked to discuss with Pixel whether it was possible to establish the comparative amounts of (a) central government support and (b) devolved government support in respect of local government services between urban and rural residents in each of the four home countries.
  
- (9) The RSN Executive was authorised to take matters forward.

**7. Any Other Business**

There was no other business.

Next meeting to be confirmed.

**Attendance at the meeting**

<b>Name</b>	<b>Organisation</b>
Graham Biggs	RSN
David Inman	RSN
Cllr Cecilia Motley (Chair)	RSN
Andy Dean	RSN
Cllr Mike Cooper	Boston BC
Cllr Cameron Clark	Sevenoaks DC
Cllr Mark Whittington	Lincolnshire CC
Cllr Tony McGuinees	Eden DC
Cllr Cllr Owen Bierley	West Lindsey DC
Cllr Ian Knowles	West Lindsey DC
Steven Linnett	Wealden DC
Gillian Taberner	Wealden DC
Cllr Sue Gardner	North Warwickshire BC
Cllr Charles Easton	South Norfolk Council
Cllr Tony Dignum	Chichester DC
Cllr Robert G Heseltine	North Yorkshire CC
Daren Turner	South Kesteven DC
Russ Stone	South Kesteven DC
Cllr Kevin Beaty	Eden DC
Lucy Hume	North Norfolk DC
Lynda McElligott	North Norfolk DC
Cllr Stuart Lawson	South Coastal DC
Cllr Ian Threlfall	Richmondshire DC
Cllr Michael Hicks	South Hams DC
Rachel Jarvis	East Sussex CC
Steven Brown	Cumbria CC
Fatima de Abreu	Local Government Association
Dan Bates	Pixel Consulting Limited
Adrian Jenkins	Pixel Consulting Limited

**Apologies received from Members**

<b>Name</b>	<b>Organisation</b>
Paul Over, Executive Director	Chichester District Council
Cllr Philip Sanders	West Devon Borough Council
Cllr Samantha Dixon	Cheshire West & Chester Council
Cllr Colin Morgan	Daventry District Council
Richard Bates, Chief Finance Officer	Dorset County Council
Cllr Richard Sherras	Ribble Valley Borough Council
John Birtwistle	UK Bus
Cllr Dr Ken Pollock	Worcestershire County Council
Cllr Colin Morgan	Daventry District Council
Cllr Paul Diviani,	East Devon District Council
Cllr Heather Bainbridge	Mid Devon District Council
Cllr Jeremy Savage	South Norfolk District Council
Brandan Arnold, Director & Chief Finance Officer	Fenland District Council
Cllr Gonzalez De Savage	Northamptonshire County Council
Cllr Richard Kemp	Babergh District Council
John Ward, Head of Finance	Chichester District Council
Dr Paul Blanter, Chief Executive	Northamptonshire County Council
Cllr Richard Sherras	Ribble Valley Borough Council
Cllr Gwilym Butler	Shropshire Council
James Howse, Corporate Director Resource	South Staffordshire Council
Cllr David Godfrey	Shepway District Council
Cllr Tony Miller	Worcestershire County Council
Cllr Brian Long	Borough Council of King's Lynn & West Norfolk
Cllr Lindsey Cawrey	North Kesteven District Council
Cllr Jane March	Tunbridge Wells Borough Council
Georgina Fung, National Programmes Manager	UK Youth
Cllr Jane Mortimer	Scarborough Borough Council
Cllr Yvonne Peacock, Leader	Richmondshire District Council
Rev. Richard Kirlew	

**Apologies from Finance Officers & Finance Portfolio Holders**

Clive Howey CPFA, Director of Finance	Eden District Council
Karen Henriksen CPFA, Head of Resources	Derbyshire Dales District Council
Brendan Arnold, Corporate Director and Chief Finance Officer	Fenland District Council
Paul Fitzgerald, Assistant Director & Strategic Finance & S 151 Officer	Taunton Deane Borough Council & West Somerset Council
Jenny Poole, Chief Finance Officer	Cotswold District Council
Cllr Jonathan Gray, Member Finance Portfolio Holder	Huntingdonshire District Council
Louise Aynsley, Interim Head of Finance (S 151 Officer)	Suffolk County Council
Cllr Peter Barrowcliff, Member Finance Portfolio Holder	West Dorset District Council
Louise Branford-White, Director of Finance (S 151 Officer)	Hambleton District Council
Cllr Nick Guyatt, Member Finance Portfolio Holder	East Lindsey District Council
Cllr Robin Brown, Member Finance Portfolio Holder	Northamptonshire County Council
Rachael Mann, Finance Officer	Forest Heath District Council
Christine Rush, Finance Officer	St Edmundsbury Council
Lesley Tucker, Chief Finance Officer	Teignbridge District Council
Sue Alexander, Head of Financial Management	Worcestershire County Council
Saverio Della Rocca, Finance Officer	Rutland County Council
Cllr Anthony Chadley, Member Finance Portfolio Holder	West Berkshire Council