

General Scrutiny Committee 15th January 2021 Supplementary paper

Rural Services Delivery Grant

It has been recognised for some time that the cost drivers behind the following council services are affected by the super sparse nature of Herefordshire, similar impacts can be linked to all council services.

- Parking – there is a greater dependency on car use to travel the county
- Passenger transport – higher costs to provide these services
- Regulatory Services – a wider network of compliance visits
- Waste Collection - more journeys are required to complete services
- Economic Development – barriers to economic development like broadband
- Homelessness – harder to identify and support
- Libraries – greater community dependency for services
- Children's Social Care – harder to provide targeted services
- Highways Maintenance – a larger network to maintain
- Adult Social Care – limitations on availability of support services coupled with a significantly larger older population

Central Government provides a Rural Services Delivery Grant (RSDG) to recognise this additional cost burden the council faces. The 2021/22 provisional settlement announced a total increase of £4m, from £81m in 2020/21 to £85m in 2021/22, increasing Herefordshire's funding by £252k to £5,353k.

This is welcomed however it is also recognised that those most in need of public services reside in rural areas who are earning lower than average incomes whilst paying more in council tax than urban councils. The composition of funding for rural and urban councils are very different. Rural councils still receive less funding per head from the central government and are more reliant on income from council tax. Nationally it is estimated that the total grant value is required to be increased to £130m to fund the additional financial burden that sparsity places on rural councils.

It is vitally important that the pressures specifically facing rural authorities are recognised both in the final 2021/22 Settlement and in the fair funding review.

Clarification – reference to Rural Sparsity Delivery Grant on page 3 of the budget setting report should state "Rural Services Delivery Grant".