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# DCLG/DEFRA Research into Drivers of Service Costs in Rural Areas

## Qualitative Interviews with Local Authorities

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## Summary

1. As part of the research commissioned by DCLG/DEFRA into Drivers of Service Costs in Rural Areas, qualitative interviews took place with 15 of the local authorities that volunteered to take part in the research (over 90 authorities volunteered in total). The purpose of the qualitative interviews was to explore a broader range of issues associated with rurality, the extent to which these and other geographical issues are faced by non-rural authorities and how such issues might result in additional unavoidable costs.
2. The 15 authorities were purposively selected, across a range of ruralities, regions and types of authorities, although the sample range was limited by fewer urban authorities volunteering to take part in the research.
3. Based on the qualitative interviews with the sample of 15 local authorities, the key issues identified can be summarised as:

### Types of factors that might result in additional unavoidable rural costs

4. The main factors which rural authorities identified as potentially leading to additional costs were:
  - **Local public service governance:** raised by counties in the context of delivering services in two-tier areas, with the greater levels of engagement required e.g. for consultation and service design;
  - **Communicating/engaging with large numbers of communities and neighbourhoods:** in particular, due to population dispersal and settlement sizes, requiring large numbers of groups to be engaged with;
  - **Lack of 'clusters' for commissioning purposes:** population dispersal was again identified as a factor, with there being less potential for services to be efficiently 'clustered'. The need for out of area placements and specific individual contract arrangements were raised;
  - **Lack of broadband availability/connectivity:** although match funding for rural broadband (with BDUK) is capital funding, revenue costs were also identified e.g. project teams, pump-priming, capital financing costs, in addition to wider cost issues associated with difficulties in achieving channel shift;
  - **Increased travel time and costs due to geographical area and transport networks:** the main issues considered here related to the geographical size of an area; levels of population dispersal and therefore greater travel time between undertaking individual service activities; the availability of transport networks/routes, which affects how efficiently services can be provided; congestion e.g. in areas with a high degree of tourism; and higher rural fuel prices;
  - **Supply and market factors:** factors identified related to authorities needing to seek to influence the market or invest upfront; fewer contractors operating, reducing the level of competition and increasing prices; the need to utilise small, higher cost providers; and the authority acting as a provider of last resort; and

- **Greater numbers of contact/access/delivery points being required:** where more fixed premises were required due to a larger geography/dispersal of population and to ensure that travel times for staff/residents to provide/access services are not excessive.

#### The extent to which geographical factors also affect non-rural authorities

5. Although the authorities involved in the qualitative interviews reflected the greater numbers of volunteers from rural areas, a range of 'geographical' cost issues were also considered from authorities with coastal deprived, wider coastal and urban/London characteristics. Some of these factors are similar in nature to those for rural authorities, but for different reasons e.g. supply factors as a result of lack of geographical capacity for facilities, travel time as a result of congestion, whereas other factors were more unique to non-rural authorities; for example, population transience/churn; diversity; migration; increased daytime/overnight visitors; lack of informal care networks.

#### Services particularly affected by rurality

6. Authorities identified that almost all services were potentially affected by rurality to some extent. In terms of the services most affected by rurality, a number of these services were more prevalently provided in rural areas e.g. home to school transport; rural bus subsidies; tourism; countryside services. Other services were identified as being affected as a result of distance and travel costs/downtime e.g. waste collection/disposal; domiciliary care; regulatory services. Supply factors and out of area placements were perceived to affect services such as residential care and children's social care, although it should be noted that evidence from the quantitative survey of local authorities identified significantly higher levels of out of area placements in more urban authorities, rather than more rural authorities, particularly for children's social care. Greater numbers of fixed access/contact points were seen to affect services such as libraries/hubs and lack of income generating opportunities were identified in relation to parking services.

#### The extent to which rural 'premia' are built into contracts

7. It was generally identified that such premia are not directly identifiable, as costs are 'averaged out' within contracts, although where actual cost contracts were operated, the differing costs associated with undertaking activities in different parts of the authority could, in theory, more explicitly be identified. However, a direct comparison of rural vs. urban costs would require precisely the same activity/job to be costed, with the only difference being the location of the activity, given that a range of other factors could affect costs, such as the complexity of the job, severity of the repair etc.

#### Service levels and access to services

8. There was a general view that there were lower expectations in rural areas e.g. for services such as winter maintenance; availability of transport; footways; street lighting etc. For 'needs-based services' e.g. social care, differential provision was not considered to exist. For 'universal services', although differences in levels of provision were identified as taking place, this was, however, seen to be linked to need/risk; for example, more frequent street cleaning taking place in towns compared to villages or it being more likely that potholes will be addressed/gritting will take place in areas where traffic volume is greatest.

### Service delivery models

9. Channel shift and asset rationalisation were particular models that both rural and urban authorities were implementing, given the need to make significant cost savings. Many rural authorities had focused upon building community capacity and exploiting technology to reduce social isolation. Although difficult to directly evidence, the intention was that these types of initiatives would lead to cost savings in terms of prevention/demand management further down the line e.g. through allowing individuals to live more independently, improve health etc. Libraries were highlighted as a particular service area which acted as community hubs and where wider service provision/advice/co-location took place.

### Funding issues related to rurality

10. Given the differences in the nature of local authorities interviewed, different views were expressed in relation to funding, although the main points identified were:
- The Rural Services Delivery Grant was generally welcomed by rural authorities and views were expressed that such grants needed to become a permanent feature of the funding system;
  - Given the complexity of the funding system, damping could limit the effect of potentially positive changes for rural authorities and can have unexpected results;
  - Authorities' ability to benefit from business rates retention was identified as being limited by some authorities e.g. with smaller businesses/broadband/transport access issues;
  - In terms of definitions, 'rurality' refers to a much broader range of issues than 'sparsity' and rural deprivation issues were not perceived to be reflected in funding formulae;
  - Some authorities identified that funding could potentially reflect not just sparsity, but also the level of 'dispersal' and numbers of settlements of certain sizes;
  - The relative size of dispersed communities was also identified as a factor, in that a very sparse population may not expect certain services within their locality, whereas dispersed concentrations of population are more likely to;
  - Coastal authorities identified that funding could take greater account of the coastline and coastal geographies;
  - Authorities with high levels of tourism suggested that overnight visitors should be reflected in the funding formulae to a greater extent in comparison with day visitors;
  - Highways funding was specifically mentioned by some authorities, where it was believed that capital allocations worked more effectively than revenue allocations for highways, as capital is more objectively based upon authorities' approaches to asset management;
  - Some authorities requested that a separate 'flexible funding pot' should be made available for rural authorities. Authorities were cautious about the increased use of

time-limited specific grants, however, where these came to an end, meaning that authorities had to find funding from their base budget; and

- If assets and services are to be devolved to parish/town councils, then views were expressed that referenda levels must be set at an appropriate level for local councils, to enable them to fund such services.

## 1. Background to this paper

- 1.1 As part of the research commissioned by DCLG/DEFRA into Drivers of Service Costs in Rural Areas, qualitative interviews took place with 15 of the local authorities that volunteered to take part in the research. The purpose of the qualitative interviews was to explore a broader range of issues associated with rurality e.g. what types of unavoidable rural costs there might be; more 'intangible' costs associated with rurality e.g. numbers of access points required, lack of broadband access etc., types of service models adopted; and the extent to which these issues are also faced by non-rural authorities. These wider issues were explored to supplement the data collected from the more detailed quantitative service surveys, the results of which have been reported on separately.
- 1.2 The 15 authorities were purposively selected, across a range of ruralities, regions and types of authorities, although the sample range was limited by fewer urban authorities volunteering to take part in the research. Authorities were asked to consider the most appropriate interested stakeholders e.g. Members; Chief Officers; Policy/Finance/Locality Leads, Service Managers etc., who would have views on the areas being considered. A qualitative topic guide was initially developed, agreed with DCLG and sent out to all authorities in advance, to give them an opportunity to consider the questions before the interviews. Interviews primarily took place on-site on a face to face basis during September and October 2014 and authorities were offered the flexibility of individual interviews and/or round table discussions.
- 1.3 It was not necessarily expected that authorities would have detailed costings/an evidence base supporting their views, as the interviews were intended to be more qualitative in nature and as this data was being sought through the quantitative service surveys, although in some cases, supporting financial information was provided by authorities.
- 1.4 It should also be noted that the separate report on the quantitative service surveys provides further examples of specific geographical issues and costs for individual services, but that this report focuses directly on summarising the outcome of the qualitative interviews with local authorities.

## 2. Local authorities involved

- 2.1 In total, over 90 authorities expressed interest in participating in the research project. LG Futures were commissioned to gather quantitative survey data from 25 authorities and to undertake qualitative interviews with 15 authorities (which were a sub-set of the 25 survey authorities). For the purposes of sampling, LG Futures devised thresholds to define three rurality groups ('sparse', 'less sparse' and 'non-sparse') and the 15 authorities taking part in interviews are shown in the Table overleaf, by rurality, function and region.
- 2.2 As can be seen from the Table, the degree of authorities' rurality was relative and in addition to considering 'urban' and 'rural' issues, the interviews also considered wider issues relating to geography; for example, coastal issues, size of settlements, regional issues, in addition to any particular local issues that authorities wished to raise from their perspective, relevant to the research.

**Table 1: Authorities selected for interview by rurality, function and region**

Function(s)	'Sparse'	'Less Sparse'	'Non-Sparse'
<b>L</b> (Shire Districts)	West Lindsey (EM)	Broadland (E)	East Staffordshire (WM)
<b>UL/ULF</b> (Unitaries, Met Districts, London Boroughs)	Herefordshire (WM) Cornwall (SW)	Cheshire East (NW) Wakefield (YH)	Blackpool (NW) Bournemouth (SW) Lambeth (L)
<b>U/UF</b> (County Councils)	North Yorkshire (YH) Cumbria (NW)	Essex (E) Northamptonshire (EM)	Hampshire (SE)

L = lower tier

UL = upper and lower tier functions

ULF = upper and lower tier functions and fire

U = upper tier functions

UF = upper tier functions and fire

### 3. Themes considered

3.1 Based on the interviews, the themes considered in discussion with authorities could broadly be separated into the following areas:

- Types of factors that might result in additional unavoidable rural costs;
- The extent to which geographical factors also affect non-rural authorities;
- Services particularly affected by rurality;
- The extent to which rural 'premia' are built into contracts;
- Service levels and access to services;
- Service delivery models; and
- Funding issues related to rurality.

3.2 These issues are considered in turn in the remainder of this report.

## 4. Types of factors that might result in additional unavoidable rural costs

### 4.1 Local public service governance

4.1.1 This was a factor that was raised by a number of county councils in interviews, in relation to the administrative costs of governance in two-tier areas. Whilst the scope of the research did not include consideration of authority structures and this is not exclusively a 'rural' issue, there is a tendency for two-tier structures to exist in more rural areas. The need to engage with a number of district councils; large numbers of parish councils who have a strong local voice (up to several hundreds of parishes in some cases); and a number of Clinical Commissioning Groups/Hospital Trusts/Community Health Trusts was identified as resulting in additional costs.

4.1.2 This was primarily seen to result in terms of the additional time involved in consultation and service design, although it was also recognised that local level governance e.g. at parish council level, had the potential to reduce costs; for example, where responsibilities were taken on from the local authority, although parish councils also requested funding from the local authority to take on services in some instances.

4.1.3 The change and development agenda was also identified as requiring partnership working/relationship building between authorities in a region e.g. when jointly bidding for funds and distance was seen as a factor which could limit these working arrangements.

4.1.4 The split of authority responsibilities in two-tier regions was also identified by one county as potentially affecting their costs in relation to housing development activity. Although county councils have the ability to comment on/influence development plans, the relevant district council has ultimate responsibility in determining where growth occurs. A trend towards dispersal of growth was considered by the county to subsequently make it more difficult for the county to achieve critical mass when section 106 agreements were being negotiated for upper tier services e.g. for highways or education.

### 4.2 Communicating/engaging with large numbers of communities/neighbourhoods

4.2.1 The particular nature of communities/neighbourhoods in rural areas was identified as leading to additional costs in terms of communication and engagement. Population dispersal and small settlement sizes were considered to be factors here, with residents in rural areas also often considering themselves to be part of a very small community, rather than a wider grouping.

4.2.2 From a council perspective, dispersed communities/settlement patterns were seen to have a cost impact, as the council needs to deal with much larger numbers of groups, in order to identify groups that share an 'identity', meaning that a 'one size fits all' approach may not be appropriate.

### 4.3 Lack of 'clusters' for commissioning purposes

4.3.1 Population dispersal was again identified as a factor leading to additional costs when commissioning services, rather than being able to efficiently 'cluster' services. Particular service examples that were commonly highlighted were placements for children and adults with disabilities, which could require more expensive out of area placements, and home to school transport, where specific individual contract arrangements could be required. It

should be noted, however, that the quantitative survey of local authorities identified the significantly greater proportion of out of area placements in more urban authorities, suggesting (based on the survey sample), that this was more of a factor for more urban, rather than more rural authorities.

#### 4.4 Lack of broadband availability/connectivity

- 4.4.1 Broadband Delivery UK (BDUK) is responsible for managing the national Rural Broadband Programme, with local authorities (county and unitary level) being responsible for individual projects. The intention of the programme is to provide superfast broadband to at least 90% of premises in the UK and to provide universal access to standard broadband with a speed of at least 2Mbps.
- 4.4.2 The main concern raised by authorities was that the 90% coverage represented an average level of coverage, so a 'city' area could have 99% coverage, but rural areas only, say, 75%, with the costs of cabled broadband provision per property being identified as increasing from around £100 per property to several thousand pounds in very rural areas (or not being cost effective at all to implement). One rural unitary authority identified that they had needed to cap these additional costs at £1,700 per property.
- 4.4.3 Local authorities match fund government funding, from their own resources, European funding or other sources and this funding is capital in nature. A number of authorities identified that they had initially fully matched available grant, but as broadband was 'built out' from urban areas, it is more difficult to find the match funding for more rural areas. Although this funding is capital, there can be associated revenue costs; for example, pump-priming activity, the costs of project teams to manage broadband implementation, capital financing costs.
- 4.4.4 The wider cost implication identified was that infrastructure, connectivity and communications and the skills to use these are a key enabler for council services, with many services now being online, meaning that residents can be disenfranchised if they do not have connectivity. Those with digital exclusion were identified as usually being older people, disabled people and those in poverty, who also suffer from isolation.
- 4.4.5 This has an effect upon authorities' ability to deliver savings through channel shift, both in terms of residents requiring greater contact with the council, rather than undertaking 'self-service' and also in relation to greater efficiencies in working arrangements for council officers; for example, through home and mobile working.
- 4.4.6 Lack of broadband was also identified as impacting upon rural economic activity for businesses, with lack of broadband affecting businesses' ability to rent units and to be efficient through video conferencing, skype etc., particularly when coupled with the costs and time associated with face to face meetings, due to limited transport networks, as considered further below.
- 4.4.7 In addition to BDUK projects, examples were provided where councils had additionally invested resources to improve connectivity and access. For example, one rural district council had invested £50k to put terminals/wifi into village halls and also by making a commercial loan to a company to set up WiMAX, which has been time consuming to arrange, with associated opportunity costs and which is more expensive than cabled broadband.

4.4.8 Mobile phone coverage was also identified as an issue, which again affected authorities' ability to channel shift and implement more efficient working arrangements; for example, needing to double up staff where lone working is inappropriate, impacting upon mobile working and making it difficult to communicate with clients e.g. calling clients to inform them of any delays for a service such as meals on wheels.

#### 4.5 Increased travel time and costs due to geographical area and transport networks

4.5.1 As might be expected, this was one of the overriding themes from the interviews with rural authorities, with additional travel time/costs being seen to affect a range of council services e.g. where services are provided to a home/business as with waste collection, social care or regulatory services or where travel is the major component of service activity e.g. home to school transport.

4.5.2 This was also identified as being a cost that could fall upon the resident, where they needed to engage with the council face to face and, as a result, as considered later below, this can, in turn, affect councils' costs e.g. needing to provide greater numbers of access points.

4.5.3 Interviews also discussed the differing reasons for additional travel time/costs. Distinctions were made between:

- The **geographical size** of an area e.g. a large county, rather than rurality per se;
- Levels of **population dispersal** and therefore greater travel time between individual activities e.g. waste collection, home-based care, children's interventions;
- The **availability of transport networks/routes**, rather than physical distance, which affects how efficiently services can be provided e.g. need for greater use of taxis, subsidised buses;
- **Congestion**, which could also occur in rural areas e.g. areas with a high degree of tourism, although it was also identified that this tended to be 'time-limited' i.e. occurred at peak times of the year/the day, whereas factors such as distance were relevant at all times and for '24/7' services e.g. highways maintenance; and
- **Rural fuel prices** – this is an issue which has previously been researched by Defra and one highly rural county had undertaken detailed analysis of fuel prices in its area.

4.5.4 Clearly, for some authorities, all of these factors can come into play. As a more extreme example, one highly rural county identified that driving from one side of the authority to the other would take at least two and a half hours, with another rural county identifying that travel time to reach the nearest major road junction by car can be double the county average in some areas (31 vs. 61 minutes).

4.5.5 Providing adequate transport links was identified as a significant challenge and additional cost, both for authorities and residents. In one case, a county council had invested its own resources in rail links, although home to school transport, rural bus subsidies and community transport were the main areas where additional travel costs were explicitly identified, as considered further in section 6 below. Certain transport networks were also seen to act as a 'lifeline' e.g. where transport took place to key places such as the main hospital and, although a direct cost could not be identified, the link between rural isolation

and potential consequent costs for the council e.g. due to residents presenting later with more complex health/social care needs, was raised by a number of participating authorities.

- 4.5.6 Other examples raised in relation to transport networks included a rural district council seeking to run a training centre for disengaged young people. However, the initial model of sessions held centrally would not work, as it required potential clients to catch three buses to attend the venue. Given that these individuals had dropped out of school in some instances, it was considered unlikely that they would be motivated to catch six buses to attend a session. The model of delivery was therefore changed to have a mixture of central and local sessions, although this was viewed as compromising the quality of the service and also increasing costs. Similar issues occurred for the same council in creating a job club, where the council was unable to deliver the service it initially wanted and where it also incurred higher costs e.g. a fund needing to be created to pay for bus fares.
- 4.5.7 As identified above, one very rural county had undertaken a detailed analysis of current fuel prices in its area, which showed that the average lowest price in its urban areas was 1.10p below the UK average price; the average lowest price in its town and fringe areas was 0.13p above the UK average price; and the average lowest price in its village and dispersed areas was 1.80p above the UK average price. The average highest price in the council's urban areas was 1.40p above the UK average price; the average highest price in town and fringe areas was 2.86p above the UK average price; and the average highest price in village and dispersed areas was 2.90p above the UK average price.

## 4.6 Supply and market factors

- 4.6.1 Many rural authorities felt that the free market did not operate effectively in rural areas and this could be evidenced in wider services, not just those commissioned and operated by the council; for example in utilities provision and transport, where critical mass does not exist. However, for certain services e.g. utilities, unlike council services, there was potentially greater scope for costs to be passed onto customers in pricing strategies. Because of the lack of a market, authorities needed to seek to influence the market or invest upfront e.g. as with rural broadband, and, unlike in urban areas where the marginal costs can be low if the infrastructure already exists, this can be prohibitively costly.
- 4.6.2 In general, there were perceived to be fewer contractors operating across all services in the rural context. This reduced the level of competition and therefore increased prices for those services that are provided by contractors. In some instances, there are no contractors within a rural area and therefore contractors from other areas needed to be utilised to provide services, charging a premium for such cross-boundary work. However, it is usually not possible to identify such additional cost within contracts, as considered further in section 7 below.
- 4.6.3 Where larger providers did not exist within an area, this could also require utilising a large number of small, potentially vulnerable providers which are more expensive due to higher fixed costs e.g. with residential care, with it being difficult to proactively influence this market, and there being limited scope for economies of scale, even for larger population sizes. Where providers were not present at all within an area, this resulted in out of area placements for certain services, which could be more costly to the council and also have a consequent effect on the individual and their family, in terms of increased travel time, although as noted above, the results of the quantitative survey indicated that this was significantly more prevalent in more urban authorities, particularly for children's social care. This could also potentially influence the type and cost of care e.g. residential care being

required earlier than it would otherwise have been, due to the lack of availability of domiciliary care provision.

4.6.4 Authorities identified that they sought to influence/shape the market as much as possible e.g. by 'packaging' contracts with a mix of rural/urban areas, although for certain services, particularly in larger areas, providers were still able to 'cherry pick' the areas that they wished to operate in and were also sometimes able to generate higher fee rates from private individuals e.g. domiciliary care self-funders.

4.6.5 In instances where rural locations were not or were less economically viable for private sector providers, the local authority often needed to act as a provider of last resort, where the service is considered to be required. Examples of services where this had taken place included commercial waste collection; pest control; broadband provision; activities for older people formerly run by charities; school meals (for which a subsidy of £1.2m was identified by a county); and leisure centre operation (for which a subsidy of £500k for a single centre was identified by a district).

#### 4.7 Greater numbers of contact/access/delivery points being required

4.7.1 Authorities interviewed had been undertaking asset rationalisation programmes and seeking to increase levels of channel shift. However, the extent to which this could take place was seen to be limited where significant distances would mean that it would not be practical for staff or customers to have a single centralised location to access, where services were more likely to be required to be provided on a face to face basis and where access to broadband was an issue. In addition, certain services required greater numbers of fixed delivery points e.g. highways depots or waste transfer facilities.

4.7.2 It was generally identified that rural authorities needed to have more fixed premises due to a larger geography/dispersion of population i.e. a population of an equivalent size in a smaller area would require less contact points.

4.7.3 Hubs were identified as being required to provide focal points and ensure that a range of services are accessible e.g. in market towns, where up to 30 hubs were identified by one large rural county council or for services such as registration, where a network of 12 offices were in place in one county. Service delivery models are considered more fully in section 9 below.

### 5. The extent to which geographical factors also affect non-rural authorities

5.1 As identified previously, in terms of the sample of volunteer local authorities for the research, greater levels of interest were received from more rural authorities and so the qualitative interviews also reflected this pattern to an extent. The research team were, however, keen to identify where similar factors or different factors related to 'geography' affected urban and other types of authority.

5.2 There were a number of authorities based on the coast who were part of the sample and some of these authorities were also rural in nature e.g. Cornwall, whereas others could be considered to have different characteristics e.g. Blackpool being more urban and Bournemouth being more 'semi-urban' in nature. In addition, Wakefield and Lambeth also took part in the qualitative interviews, with Wakefield being a metropolitan district, but with

significant areas of rurality and Lambeth clearly having an alternative geographical perspective in relation to being located in London.

5.3 The key factors identified in interviews with these 'non-rural' authorities in relation to geographical factors and potential unavoidable service costs are considered below.

5.4 In relation to more deprived coastal towns, particular issues identified as a result of geography included:

- A transient population and lack of social/family networks, making it harder to engage with residents and meaning that the first call is likely to be on the public sector;
- Higher numbers of older people, many of whom have moved away from family support;
- Availability of alternative relatively low paid work as a result of the coastal economy, providing an alternative to comparably paid council services e.g. domiciliary care and resulting in a lack of supply;
- The availability of vacant housing, resulting in placements from other local authorities for vulnerable individuals e.g. homeless clients, clients with physical/mental health needs and the consequent additional support costs for these individuals; and
- A high proportion of older and poor quality housing, including Houses in Multiple Occupation (HMOs), with this resulting in additional cost pressures for authorities in relation to litter, noise, environmental issues and engaging with landlords.

5.5 The combination of these factors, in particular, was identified as resulting in more significant cost pressures than these individual factors existing in isolation.

5.6 In terms of coastal issues more widely, key factors identified in interviews included:

- The coastal location limiting the number of neighbouring authorities that there are to work with in order to drive up standards and drive down the costs of provision from providers;
- The 180 degree hinterland, meaning that highways access is an issue, with coastal visitors creating heavy trafficking congestion;
- The costs of maintaining public realm infrastructure and assets, which are more prevalent in coastal areas. Examples identified included: dealing with storm/flood damage; maintenance of coasts; managed retreat around shoreline; ports; dredging; ecology; beach cleaning; piers; promenades; pavilions; bandstands; public shelters; signage. Although there is a wider economic benefit from tourism, income does not directly accrue to the local authority, although it bears these additional costs and it is difficult to reduce these costs, given the importance of tourism to the economy;
- Higher numbers of domestic overnight visitors, with a greater demand on local services, including: street cleansing; waste collection and disposal; public

conveniences; tourism; protective services, such as environmental health, licensing and anti-social behaviour; planning and control services; and

- From a funding perspective, not necessarily benefitting from either urban or rural factors in the formula.

5.7 In addition to being highly urban in nature, London clearly has some unique characteristics as a result of being a capital city, and particular geographical issues identified in interviews included:

- The growing and changing demographic profile, placing significant demand on local services, including the need for school places, housing, health and social care, which reflects issues particular to a unique urban conurbation that is London. There was also a view that consistent 'undercounting' had taken place in relation to the level of the population in London and that such population pressures are not reflected in funding, given that the funding formulae are currently 'frozen';
- Lower take-up of online services as a result of higher dependency/deprivation, again influencing the ability to channel shift;
- Population churn of up to 30% per annum, resulting in new administration costs, new assessments, the need to track clients e.g. for social care and making it harder to collect income due to the council;
- Less informal care networks, as individuals' families are less likely to live in the area and individuals are less likely to have social networks around them. This can affect costs in terms of residents' ability to live independently and/or be discharged from hospital;
- A higher proportion of rented housing, making it harder for adaptations in the home to be undertaken, again affecting independent living;
- Higher levels of migration, due to central attracting facilities e.g. major mainline stations, hospitals and new UK arrivals gravitating towards localities and communities where family ties, language, culture, and shared experience exist;
- Large numbers of people subject to immigration controls (PSIC), who are not permitted to work, claim benefits or receive housing support, and who, as a result, approach the council to provide subsistence and accommodation, irrespective of other needs that might be present. As an example, service provision for individuals with no recourse to public funds was identified as a £4.3m per annum pressure for a borough, with no associated central government funding;
- The diversity of the population, meaning that there is not a 'one size fits all' approach e.g. pathways for employment and skills programmes need more providers, greater monitoring, reviewing, quality assurance as a result of diversity, with greater pre-start work needing to be undertaken where English is not individuals' first language;
- Greater costs of buildings due to land value e.g. depots;

- Geographical and financial constraints making it difficult to operate in-house provision, requiring more expensive out of area placements e.g. for children with special educational needs, which is a particular issue for urban boroughs who tend to have a disproportionate number of younger people in a densely populated geographical area. The 'premium' for placing children out of borough was identified as ranging from £50k to £250k per child, depending on individual circumstances;
- Significant increases in daytime population due to commuters and visitors (estimated to be an increase of 30% for London as a whole from the usual resident population), with the impact on services such as those also considered for overnight visitors above;
- The impact of welfare reform, leading to increasing numbers of individuals with support needs moving from central London locations to outer London boroughs;
- Lack of capacity in local authority housing stock and a limited supply of temporary accommodation, which is therefore significantly more expensive where individuals need to be placed in such accommodation. The use of 'bed and breakfast' accommodation was identified as having increased significantly, even with options to reduce this being explored, such as the use of private sector leasing and improved utilisation of hostels;
- Greater use of more expensive agency staff due to the limited availability of in-house staff and higher rates being paid by the private sector;
- Travel times due to congestion e.g. up to 1 hour to travel 4 miles for certain journeys and expectations from residents of highly 'local' services e.g. 10 libraries maintained within a compact geographical borough area;
- The Area Cost Adjustment (ACA) largely being based upon regional salary differentials, but with other factors being key cost drivers e.g. private sector rental market prices; and
- Large numbers of SME businesses, below the business rates threshold, limiting the benefits of business rates retention.

## 6. Services particularly affected by rurality

6.1 Views were sought on local government services that authorities felt were particularly affected by rurality. It should also be noted that the separate report on the quantitative service surveys provides further examples for individual services, but issues specifically raised through the qualitative interviews have been highlighted below.

### 6.2 Rural bus routes

6.2.1 This was one of the most common areas raised by rural authorities, given that the majority of subsidised routes that are in or service the most rural areas are not commercially viable in their own right. Significant levels of expenditure were identified in relation to subsidised bus services (up to £4.8m for a large rural county council, which estimated that 63% of bus subsidy expenditure went to support village & dispersed areas of the county). In another

rural unitary authority, subsidies per passenger ranged from 42p for urban routes to around £4 for rural routes.

- 6.2.2 There was, however, also a trend in a number of rural authorities of decreasing levels of expenditure on bus subsidies (one rural county was ceasing current subsidy levels of £1.8m entirely), with this being replaced by community transport. There were limitations associated with community transport though, in terms of raising awareness of the service amongst the public and with users not necessarily being able to use concessionary travel passes, where community transport is not registered as a public transport service.
- 6.2.3 It was also noted that other transport contracts e.g. Home to School, are allowing the provision of some bus routes commercially e.g. where the same company/vehicle is providing the service in both cases, but where the bus route would be commercially unsustainable in isolation.
- 6.2.4 The importance associated with access has been highlighted previously, with authorities identifying the potential that isolation has to result in knock-on costs e.g. due to lack of access to primary care services, where early intervention does not take place and individuals could present later with more complex social care needs and due to the wider difficulty in undertaking independent living.
- 6.2.5 The wider impacts of not having the funding to support rural bus routes were also raised e.g. the greater use of private transport, as distances are too large to travel by alternative means, such as cycling/walking, with the consequent environmental/economic/health/activity impact.

### 6.3 Concessionary fares

- 6.3.1 Relatively limited spend was identified on discretionary concessionary fares schemes, but for the statutory scheme, one rural county council identified that payments to operators are made on a proportion of commercial fare reimbursement, with these fares being higher in rural areas.

### 6.4 Home to school transport

- 6.4.1 Home to school transport provision is required to be available if primary pupils are not within two miles of their school and if secondary pupils are not within three miles of their school. In rural areas, pupils can travel considerably further than these distances. This was also felt to be exacerbated by the type of roads in a rural area, which impact on the assessment of what constitutes a safe walking route, with shorter routes potentially being more likely to be unsafe to walk than in urban areas; the trend towards closing some smaller rural schools, which increases the number of pupils having to travel greater distances; and higher rural fuel prices.
- 6.4.2 One highly rural, geographically large county council (with expenditure of £21.7m on home to school transport) had undertaken analysis on the number of pupils supported across the categories of location. Secondary pupils entitled to home to school transport, as a proportion of all pupils, were 55%, 27% and 8% in village & dispersed, town & fringe and urban areas respectively, with the equivalent figures for primary pupils being 21%, 4% and 1% respectively, indicating significantly higher levels of entitlement in more rural areas.

### 6.5 Highways maintenance

- 6.5.1 A number of authorities identified that, for highways maintenance, rurality per se could be less of an issue than topography. In terms of specific factors potentially leading to additional costs, the distance that needed to be travelled between assessing the need for, categorising and making repairs being greater was identified, making the time spent and cost per repair higher.
- 6.5.2 Some authorities considered that the incidence of repairs required as a result of weather damage is also greater for the rural parts of the authority, as these are colder, given that temperatures fall to a lower degree in rural areas than in towns and cities. In addition, rural road networks receive heavy vehicles which they may not have originally been designed for e.g. farm lorries/machinery and rural roads also tend to be older and less resilient. Clearly, traffic volumes are also a factor affecting the incidence of repairs and these could be considered to be generally higher in more urban authorities.
- 6.5.3 In relation to winter maintenance, a number of authorities identified that they operated a parish salt scheme, so that local areas could self-service, but the costs of delivery could still be high, given the large number of parishes that were in place.
- 6.5.4 It should also be noted that specific additional costs for highways maintenance were explored through the survey with local authorities, but that these could not be explicitly quantified in differing geographical areas. As part of the interviews, one rural county identified that it had undertaken analysis of a sample of days travelling for a highways gang based upon data from the vehicle logging system. This identified that travel downtime for an urban area represented an average of 23% of total time spent, compared to 30% for a rural area.

## 6.6 Waste collection and disposal

- 6.6.1 Waste collection was identified as resulting in additional costs in rural areas due to distances between properties, distances between collection rounds and waste transfer stations and, in some cases, specialised vehicles required to collect from remote and difficult properties. Lower numbers of properties serviced and greater distances per round in rural areas were also identified through the quantitative survey; however, authorities were unable to cost the effect of these differences, with the only exception being a rural district council, that had previously undertaken detailed regression analysis of the costs of individual rounds.
- 6.6.2 A number of authorities highlighted that, in large areas, a significant proportion of waste must first be transported to a waste transfer station (or other interim facility) before being bulked-up and transferred on to its final waste disposal facility, incurring additional cost. One large highly rural county had estimated that one stage disposal (for around 90,000 tonnes of waste) resulted in a disposal cost of £2.1m, compared to two stage collection with waste transfer stations at a cost of £3.2m.
- 6.6.3 Although not specifically a rural factor, but related to structural arrangements/responsibilities/differing waste policies, two county councils estimated savings of £5m and £7m respectively from having a single waste authority across the whole area.

## 6.7 Adult social care

- 6.7.1 In terms of residential care, issues relating to the market and supply were previously discussed, where out of area placements or the use of smaller providers with higher fixed costs could increase costs, although as also previously identified from the quantitative survey, there was a significantly lower proportion of expenditure taking place on out of area placements for the most rural authorities. Some authorities also identified that there are potentially higher costs of residential care where there are proportionately more self-funders in rural homes, as providers have greater scope to generate higher income levels from privately-funded individuals, although this could equally apply to urban authorities if they have more affluent populations.
- 6.7.2 For domiciliary care, the trend to promote independent living where possible, rather than residential care, was seen to impact more greatly on a rural authority because of the distances required to travel to make home visits, for which there is both a time cost and a fuel cost. In addition, due to higher rural house prices in some areas, the lost travel time spent between clients is added to if the individual providing home care is less likely to live locally and so has to travel in from outside the area, although authorities were seeking to use local providers, where available. In very rural/remote areas, 'doubling up' of staff may occasionally need to occur, due to the greater risk associated with lone working.
- 6.7.3 Some authorities identified that they were providing rural domiciliary care in-house, where they could not generate sufficient interest from the market as this was less attractive to the private sector, although they sought to try and 'package' both rural and urban areas to providers where they were able to.
- 6.7.4 The interviews did not generally identify a tendency to have explicit 'rural premia' for domiciliary care, although one county council identified that it operated different rates for different areas, with an urban average rate of £13.36 per hour, compared to a rural average rate of £15.15 per hour (representing a 13% premium). A unitary authority also identified that for domiciliary care (which was externally provided), a 20% rural premium is paid to providers delivering care in specific rural areas to support them in growing their level of business in these areas to make this sustainable. The intention is that this higher rate would be time-limited for three to six months until the standard rate could be paid. The quantitative survey did, however, identify further quantified examples of rural premia/costs for domiciliary care.
- 6.7.5 The potential wider knock-on effect of a lack of availability of supply of domiciliary care was also raised; for example, where an individual may need to remain in hospital or be placed in residential care earlier than they would have otherwise.
- 6.7.6 Meals on wheels was not a service that was commonly identified by authorities, but where this was discussed, lack of clusters/distance was seen as an issue, meaning that it is less economic for providers. This could be seen directly in the case of one county council, where, under the contract with the council, the external provider was required to provide a meal anywhere in the county area where requested, which led to additional direct costs for the provider.

## 6.8 Children's social care

- 6.8.1 The main cost issues identified by rural authorities related to additional costs for the council associated with more expensive out of area placements e.g. residential placements, although this is also a wider supply issue which could apply to other types of authority and the quantitative survey identified that the proportion of expenditure on out of area

placements for children's social care for 'non-sparse' authorities was 43%, compared to 16% for 'sparse' authorities and 10% for 'less sparse' authorities. Additional transport costs were also highlighted e.g. for social care visits to children, as well as wider implications for families where they need to travel further to visit their child.

## 6.9 Libraries

- 6.9.1 As considered further in section 9 below, the operation of the libraries service and wider hub provision is a key component in terms of service delivery models for rural authorities. However, there was significant variation in the way in which libraries operated across rural authorities. This ranged from authorities who had significant numbers of libraries with very few being volunteer-run e.g. 53 sites (although, of which, around 30 would only be a single room), to authorities which had significant numbers of volunteers e.g. around 600 volunteers, with 95% self-service provision.
- 6.9.2 In terms of relative cost differences between rural and urban areas, these also need to be considered in the context of the activity being measured; for example, in the interviews, one county council identified the cost difference between a fixed urban vs. rural library within its area of £1.46 vs. £2.36 per visit i.e. 90p premium in the rural area per visit; however, the cost per opening hour was higher in the urban area at £293 vs. £38 in the rural area per hour open.
- 6.9.3 The cost per visit data from the quantitative survey was mixed, identifying that, whilst for 'sparse' authorities, costs per visit are lowest in urban areas of the authority, for 'less sparse' authorities, costs per visit are lowest in village & dispersed areas of the authority ('non-sparse' authorities did not have libraries in non-urban areas). This is likely to reflect the means of service provision in those authorities responding to the survey and also potentially higher visit numbers in urban locations, set against potentially lower employee costs in more rural locations.
- 6.9.4 Differing approaches were also adopted in relation to the use of mobile libraries, with some rural authorities having significantly reduced the number of routes due to the cost (one county identified a cost of £2.50 per mobile library book loan compared to £1.20 for a fixed library). Some authorities saw this service as, however, being essential for communities, given the social value that it provides.

## 6.10 Regulatory services

- 6.10.1 Additional costs here were primarily identified in relation to the number of hubs required in larger areas for such services, where frequent visits to business/the public are required, with the associated management and accommodation costs, in addition to travel downtime and cost from distance and being less able to schedule visits as efficiently as in urban areas. Significantly lower costs associated with downtime were also identified for 'non-sparse' sample authorities through the quantitative survey.
- 6.10.2 However, it was also identified that these services have, more recently, adopted a less inspection-based and more risk-based/intelligence-led approach, so not all businesses would be visited by rote, as might have taken place more traditionally.

## 6.11 Economic development

- 6.11.1 There were a number of cost issues raised in relation to economic development by rural authorities. The SME business community was identified as being harder to sustain for the council than having smaller numbers of large employers, with a number of rural authorities identifying significant numbers of SME businesses within their area (up to 98%).
- 6.11.2 Costs of outreach associated with travel downtime were also raised, when needing to meet face to face with businesses e.g. to understand their needs and discuss grant interventions. Given the large proportion of SMEs and access difficulties, face to face visits were also seen to be required, as, if the business travelled to meet with the council, this would significantly impact upon the business, as in many cases, it would not be able to operate whilst the visit was taking place. Examples were cited where visits by the council to businesses could take up to 2.5 hours, with only 40 minutes productive time actually being spent with the business. Similarly, the additional costs of business support advice from external providers is passed on to the council, where providers also experience costs of travel/downtime when visiting businesses. This was also borne out through the quantitative survey, where 'sparse' authorities quantified costs associated with travel, outreach and bringing providers to locations.
- 6.11.3 Instances were also identified where the council had needed to gap fund developments e.g. starter units, as there is insufficient commercial interest from the market, as the rates of return are not attractive enough.

## 6.12 Tourism

- 6.12.1 A number of cost issues associated with tourism have already been considered as raised by coastal authorities and these also apply more widely to rural authorities. In general, the issue identified was that the local authority often needs to invest in tourism and fund additional service requirements as a result of the greater overnight/daytime population, but that the benefits of this investment tend to accrue to the economy more widely, rather than to the council directly.

## 6.13 Countryside services

- 6.13.1 Such services were identified as presenting a cost due to their greater prevalence in areas of rurality e.g. public rights of way, where these are established in law and minimum service standards need to be met. Similar arguments might also be presented for services which have a greater tendency to be provided in more urban areas, such as museums and galleries, theatres and public entertainment, for example.

## 6.14 Car parking

- 6.14.1 Given that, nationally, this is a net income area (£589m in 2012/13), rural authorities identified that the greater scope to generate income from car parking (both on- and off-street) in urban areas means that the net costs of provision are higher for rural authorities. This was also borne out in the quantitative survey, where net income levels were highest in 'non-sparse' authorities and lowest in 'sparse' authorities. Although this could be affected by smaller sample sizes and the nature of the specific authorities completing the survey, it was also identified that for authorities of all types of rurality, as might be expected, by far the largest proportion of net income was generated in the urban areas of authorities.

## 6.15 Employment and skills

- 6.15.1 Low levels of population density in rural areas were considered to make it more difficult to get sufficient learners together in any one place at any one time to run cost effective provision. Funding criteria were also identified as usually requiring classes to have a minimum of 8-10 learners, which is difficult for rural areas to achieve, with travel costs for tutors and for participants themselves also increasing costs. In some cases, national contracts (even for rural areas) did not include certain highly rural authorities, as these were not seen to have sufficient critical mass.

## 6.16 Leisure

- 6.16.1 The main cost issue identified by rural authorities related to the need for more, smaller leisure centres, with higher fixed costs, meaning that greater economies of scale cannot be achieved.

## 6.17 Asset rationalisation

- 6.17.1 Some rural authorities identified that the level of commercial interest in assets did not exist to the same extent as in more urban authorities, with the consequent impact upon the level of capital receipts that could be generated. The counter view could be that where assets need to be purchased, these could be more costly in urban authorities, if land values are higher.

## 7. The extent to which rural 'premia' are built into contracts

- 7.1 The interviews investigated whether specific premia were built into contracts to reflect geographical factors. In general, it was identified that cost differences between rural and urban areas are not seen in contracts, as these are 'averaged out', with contractors usually providing a cost for the service as whole, rather than for individual activities e.g. collecting waste from a rural property vs. an urban property. However, this does not necessarily mean that there is no difference in the cost of provision and this was therefore also investigated as part of this research through undertaking national analysis of unit costs for specific services and also through the quantitative service surveys, both of which have been reported on separately.
- 7.2 Exceptions were identified; for example, two authorities stated that they operated actual cost contracts for public realm/highways, with the intention being to avoid providers building in additional costs associated with risks which may not actually materialise in practice. Under this approach, payment is made to the contractor on the basis of actual costs e.g. time taken to complete an activity and, therefore, if costs are higher for activities carried out in certain areas, then this will be reflected in the amount charged by the contractor. However, a direct comparison of rural vs. urban costs would require precisely the same activity/job to be costed, with the only difference being the location of the activity, given that a range of other factors could affect costs, such as the complexity of the job, severity of the repair etc.
- 7.3 A further example identified related to community transport e.g. taking wheelchair users to the supermarket for their shopping, which was provided on a demand-led basis and where there is universality of provision. In these instances, it could be identified from provider

charges that costs would be higher due to less efficient provision in rural areas due to there being less scope to cluster pick-ups/drop offs and the time taken to complete journeys.

## 8. Service levels and access to services

- 8.1 Views were sought on whether differential provision of services took place in areas of differing geography. In general, there was a view that there are lower expectations in rural areas e.g. for services such as winter maintenance, availability of transport, footways, street lighting etc. Response times could also be longer in rural areas, due to the need to cluster visits e.g. for a service such as handypersons, when waiting until there are sufficient calls within an area.
- 8.2 However, for 'needs-based services' e.g. social care, it was generally identified that differential provision would not exist and a lower level/volume of service would not be provided as a result of rurality (albeit there could be an impact upon the service provider e.g. if not being fully reimbursed for travel time for a service such as domiciliary care).
- 8.3 For 'universal services', differences in levels of provision were identified as taking place; however, this was seen to be linked to need/risk; for example, more frequent street cleaning taking place in towns compared to villages or it being more likely that potholes will be addressed/gritting will take place in areas where traffic volume is greatest.

## 9. Service delivery models

- 9.1 The interviews discussed whether different service models were utilised in areas of differing geography. Channel shift and asset rationalisation have previously been discussed and these are approaches which both urban and rural authorities are seeking to employ, given the need for significant cost savings.
- 9.2 Authorities also identified that, in some cases, greater visibility of a service, such as a new contact centre, can lead to increased demand e.g. with face to face contact remaining at similar levels, whilst telephone/internet contact increases and, for certain services, early face to face contact can provide a better solution for the client and reduce longer term problems arising. In such cases, staff would visit clients, rather than expect clients to come to them or use online services, which may not be possible in any case, due to access issues.
- 9.3 Authorities had also considered new ways to exploit technology in order to reduce social isolation – this ranged from supporting community cafes/local internet access, to tablets being given or sold at low cost to older people, with their internet connection being set up and one-to-one computer training being provided through the voluntary sector, in order to allow users to access council services and engage socially.
- 9.4 The main initiative identified at a number of rural authorities related to building community capacity. Rural authorities identified concerns that community infrastructure had declined over recent years; for example, with local post offices; libraries; shops; pubs; village halls etc. being lost, with these closures being perceived as having a proportionately greater impact in rural areas than in urban areas.
- 9.5 Although authorities had addressed community capacity building using different approaches, key themes included:

- The use of community hubs to leverage social capital e.g. from community groups and involving wider organisations e.g. health;
- Developing networks of community co-ordinators/community agents/village agents/volunteers/befrienders to help drive the engagement of local communities. This included activities such as: signposting/support work; advising on blue badge schemes, residential care options, adaptations; support to help people to live independently; identifying physical activities to take part in etc.;
- Provision of council grant funding for village services e.g. delivery van; internet café; shop in pub grounds; new community shop etc., to reduce isolation;
- Developing voluntary sector infrastructure; and
- Devolving/transferring specific local services and assets to town and parish councils

9.6 One rural district council identified that it had allocated 5% of its budget specifically for community development activities, given its importance. It was identified that because more rural communities are aware that the council is more remote, then they already tend to do more to help themselves and each other in their localities. Initiatives such as community capacity building were also seen to have the potential to reduce social isolation and increase awareness of how individuals are faring and if they need any potential support. Although difficult to directly evidence, the intention was that these types of initiatives would lead to cost savings in terms of prevention/demand management further down the line e.g. through allowing individuals to live more independently, improve health etc.

9.7 Libraries were highlighted as a particular service area which acted as community hubs and where wider service provision/advice/co-location took place. Examples of service delivery models here included:

- The use of community libraries/village shops where the book stock is provided by the council and the service is run by volunteers;
- Provision of wider service advice such as council tax benefits advice; housing solutions; welfare rights; highways/public realm advice; planning etc.;
- The development of a rural wellbeing hub, which, in addition to the provision of a statutory library service, would provide a focal point for family and children's services, including public health promotion and early intervention health checks, and seek to address digital inclusion; worklessness; informal adult learning; and literacy, language and skills development;
- A 'Library Plus' approach, using libraries as community hubs which are open 7 days a week, largely staffed by volunteers and with around 95% self-service; and
- A one stop shop model being developed, linked with libraries, including providing touch down spaces for officers and partners.

## 10. Funding issues related to rurality

10.1 The interviews sought views as to how funding to local authorities to take account of issues associated with rurality could potentially be allocated. As would be expected, given the

differences in the nature of local authorities, different views were expressed, but the main points raised in interviews have been summarised below:

- The Rural Services Delivery Grant was welcomed by rural authorities and views were expressed that such grants needed to become a permanent feature of the funding system. There was also a perception by some authorities that there have been cliff edges and perverse results as data changes and depending upon authorities' categorisation;
- The funding formulae used in the finance settlement have been 'frozen', since the introduction of the business rates retention system, but it was identified that, even when changes were made to funding formulae, given the complexity of the funding system, damping could limit the effect of potentially positive changes for rural authorities and can have unexpected results;
- Authorities' ability to benefit from business rates retention was identified as being limited by some authorities e.g. with smaller businesses/broadband/transport access issues, but it was also identified that urban authorities face limitations e.g. also as a result of smaller businesses or due to land shortage;
- In terms of definitions, 'rurality' refers to a much broader range of issues than 'sparsity'. The costs associated with rural deprivation were also considered by some authorities to not be reflected in funding formulae e.g. including factors such as rural poverty; lack of housing opportunities; low wages; isolation; lack of access;
- Some authorities identified that funding could potentially reflect not just sparsity, but also the level of 'dispersal' and numbers of settlements of certain sizes. One rural area had identified that it can be difficult to identify smaller pockets of deprivation in rural areas using the Index of Multiple Deprivation (IMD) and other datasets at Lower Layer Super Output Area (LSOA) level, as small, highly deprived areas can be surrounded by more affluent areas. Detailed analysis had been undertaken (using the IMD 2007) which showed that, for this particular area, a higher proportion of rural areas (almost double) were ranked among the most deprived 30% in England using Output Area definitions, compared with LSOA definitions;
- The relative size of dispersed communities was also identified as a factor, in that a very sparse population may not expect certain services within their locality e.g. a library; whereas dispersed concentrations of population are more likely to;
- Coastal authorities identified that funding could take greater account of the coastline and coastal geographies;
- Authorities with high levels of tourism suggested that overnight visitors should be reflected in the funding formulae to a greater extent in comparison with day visitors;
- Highways funding was specifically mentioned by some authorities, where it was believed that capital allocations worked more effectively than revenue allocations for highways, as capital is more objectively based upon authorities' approaches to asset management. The mix of funding between 'A Class' and 'unclassified/rural roads' was also raised, in the context of A Class roads having been built to

withstand wear and tear, whereas, in rural authorities, rural/unclassified roads are key;

- Some authorities requested that a separate 'flexible funding pot' should be made available for rural authorities. This could be hypothecated in terms of the service that it should be spent on, but with rural authorities having discretion over how they spend the funds, depending upon local priorities. Authorities were cautious about the increased use of time-limited specific grants, however, where these came to an end, meaning that authorities had to find funding from their base budget;
- In terms of regulation, a number of authorities considered that, if assets and services are to be devolved to parish/town councils, then referenda levels must be set at an appropriate level for local councils, to enable them to fund such services.