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

## Analysis of Quantitative Survey of Local Authorities

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## Summary

1. As part of the DCLG/DEFRA commissioned Research into Drivers of Service Costs in Rural Areas, a quantitative survey of a sample of 27 authorities (from over 90 that volunteered to take part in the research) took place during August/September 2014. The aim of the survey was to consider more detailed data on costs and activity levels, which would be available at sub-local authority level, to identify whether there was evidence of any potential unavoidable cost differences in providing services in areas of differing rurality, as a result of geographical factors.
2. It should be noted that precisely defining what is represented by an 'unavoidable' cost is difficult, given that there is differing scope for interpretation. Unavoidable costs might generally be taken to mean those which arise as a result of factors beyond an authority's control, such as the geographical size of an authority. However, even so, there are clearly a number of different ways in which policy/service choices can be made to address such factors, and so authorities might feel that most of their costs are unavoidable.
3. A measure of service quality would also need to be considered to identify whether a significantly higher quality or volume of service was being provided as a deliberate policy choice; however, given that there is often no defined standard level of service, this is difficult to determine. There is also scope for alternative views as to measures of service quality e.g. which performance indicators/outcomes best define this.
4. For these reasons, for the purposes of this survey, data was requested on aspects of services which were considered most likely to result in unavoidable costs; for example, downtime or fixed costs, rather than assessing whether or not costs could be 'avoided', given that this would involve subjective judgement. In some cases, where identified, adjustments to costs were made to take account of regional cost variations, using the Area Cost Adjustment (ACA); however, further controls/adjustments for other factors giving rise to potential cost differences e.g. deprivation, were not applied in the analysis.
5. The services for survey were agreed following discussion with DCLG/DEFRA and covered the following ten service areas:
  - Regulatory Services
  - Waste Collection
  - Economic Development and Community Development
  - Building Control and Development Control
  - Temporary Accommodation
  - Parking
  - Libraries
  - Highways Maintenance
  - Adult Social Care
  - Children's Social Care
6. Where possible, the survey requested that authorities provide 2013/14 actual outturn data in response to the financial questions, using service definitions and subjective classifications based on the Revenue Outturn forms. Service/activity data was also requested for 2013/14.
7. When considering the implications of the analysis as to whether additional service costs exist as a result of rurality, a number of factors need to be borne in mind:

- There were relatively few instances where authorities were able to provide specific information on the direct costs associated with delivering services as a result of their authority's geography; although factors which were perceived to influence costs (with both a rural and urban focus) were identified as part of the narrative. This applied to both rural and urban authorities. It is likely that similar issues would apply if authorities were specifically asked to identify the direct costs associated with other factors, such as deprivation, for example.
- Specific geographical premia were not built into contracts, where services were delivered externally. This does not necessarily mean that rurality is not an additional cost represented within contracts, but rather that contractors are likely to average the costs of rurality, along with any other cost weightings, over the contract for the whole authority. This approach was also confirmed as part of the qualitative interviews with authorities.
- We asked authorities to provide best estimates for a range of geographical factors, such as the proportion of visits to different geographical areas within their authority and the amount of non-productive "downtime" for visits to these differing areas. However, authorities do not generally manage their services on a geographical basis and so, whilst this data is useful for providing indications and to reach general conclusions, it was not robust enough to provide a costed analysis. This is because, unless authorities have undertaken specific detailed work to investigate geographical costs, authorities do not hold cost data in a format that allows them to readily identify the costs of provision in differing geographical areas within their authority.
- For some questions within the survey, response rates were relatively low (response rates have been indicated within each section), which could influence averages. For example, in some cases, 'less sparse' authorities may experience greater travel time/costs than 'sparse' authorities. This could partly be influenced by response rates and also by factors such as the relative geographical size of authorities e.g. if a much larger authority was within the 'less sparse' grouping.
- In addition to the more detailed quantitative questions asked, the survey included a number of free text fields that allowed authorities to include additional comments on factors affecting costs in areas of differing geography. Where they were able to, authorities were also asked to place a value on the additional annual cost of such geographical factors. These estimates will clearly be dependent upon assumptions made by individual authorities and can vary quite significantly, so should be considered in this context, in terms of providing an indication of such potential additional costs.

8. In overall terms, the key messages from the quantitative survey are as follows:

- *Travel claims.* Where services involve a significant degree of travel e.g. to undertake visits, inspections, assessments etc., there is a general tendency for sparse and less sparse authorities to have greater costs associated with travel claims.
- *Travel downtime.* There is a general trend across authorities of all types of rurality for downtime associated with travel to be highest in more rural locations of the authority i.e. village & dispersed, compared to town & fringe, compared to urban areas. The costs of downtime per officer varied according to a wider range of factors e.g. the

proportion of visits carried out in these geographical areas, but were generally higher for sparse and less sparse authorities.

- *Agency costs and out of area placements.* Within social care, there was a tendency for more rural authorities to have a lower proportion of agency staff costs and a lower proportion of expenditure on out of area placements.
- *Scope for income generation.* Parking was the main service where it was identified that there was significantly more scope for income generation from more urban areas for authorities of all types of rurality, with non-sparse authorities generating the greatest net income levels.
- *Quantification of costs.* Authorities were able to identify a range of geographical factors that they believed influenced costs (both rural and urban), but quantifying such factors was more difficult. There are services where evidence suggested that costs should intuitively be greater in rural areas compared to urban areas; for example, waste collection, as a result of fewer numbers of properties being collected from and greater round lengths identified. However, only one authority was able to cost these differences. For other services, such as Highways Maintenance, although potential additional geographical cost drivers were identified, authorities were not able to quantify these explicitly. The ‘averaging out’ of costs between all areas of an authority in external contracts also limits the identification of such geographical costs. Rural premia were, however, able to be identified for residential care and domiciliary care for a number of authorities, although these premia varied significantly, depending upon assumptions made by authorities in deriving these premia.

9. The main conclusions drawn from each of the service surveys have been summarised below. Key areas of difference between authorities of differing rurality have been identified in this summary, rather than reporting on all findings, and more detailed analysis is presented under individual service headings throughout the remainder of this report.

### **Regulatory Services**

- *Subjective costs.* In terms of the proportion of income to expenditure, non-sparse authorities reported a higher proportion of income generation for regulatory services (around 50% higher than sparse and less sparse authorities). This could indicate greater potential to generate income for this service area or could reflect lower overall costs.
- *Travel claims.* There were higher average annual travel claims per officer in sparse authorities, 117% higher than in less sparse authorities and 69% higher than in non-sparse authorities.
- *Travel downtime.* Less sparse authorities had the highest notional cost of downtime (3.3 times that of non-sparse authorities) from travel, followed by sparse authorities (2.8 times that of non-sparse authorities). The results need to be caveated by the low response rates here, however.

### **Waste collection**

- *Properties per round.* There were considerably lower numbers of properties per round across all types of authority in more rural areas. These ranged from there being between 1.2 to 4.2 times more properties in an urban compared to a town & fringe

area and between 2 to 7 times more properties in an urban compared to a village & dispersed area, per round.

- *Distance per round.* There were also consistently longer distances per round across all types of authority in more rural areas. Overall, on average, distances were 1.2 times greater in a town & fringe area compared to an urban area and 1.9 times greater in a village & dispersed area compared to an urban area, per round.
- *Costs per round.* Authorities were not generally able to provide costs for individual example rounds. However, one sparse district had previously undertaken detailed analysis into the additional costs of providing waste collection in rural areas. The conclusions drawn from this detailed analysis were that, on average, village properties were 1.64 times more costly to collect from than town properties, and, on average, properties in hamlets and isolated rural dwellings were 2.78 times more costly to collect from than town properties.

### Building and Development Control

- *Travel claims.* Average travel claims per officer in sparse authorities were 25% higher than non-sparse authorities and 46% higher than in less sparse authorities.
- *Travel downtime.* There were higher levels of downtime in sparse authorities - 60% higher than in less sparse authorities and 38% higher than in non-sparse authorities. Less sparse authorities, however, had the highest cost of downtime, around 1.4 times that of sparse authorities and around 1.3 times that of non-sparse authorities.

### Temporary Accommodation

- The survey investigated what types of solutions to homelessness are used by different types of authority and the degree to which costs vary between the different categories. Non-sparse authorities reported less usage of lower cost options, such as accommodation within their own stock, although this is linked to the level of availability of such stock. Overall, weekly rates were significantly higher in non-sparse areas, particularly in relation to bed and breakfast accommodation. Response rates were, however, relatively low for this area.

### Parking

- *Total net parking income.* Non-sparse authorities reported the highest average net surplus in the survey (24% higher than less sparse authorities and 34% higher than sparse authorities), although for this survey question, the data has potential to be skewed by the nature and size of authorities responding to the question.
- *Net parking income by geographical area.* As might be expected, by far the largest proportion of parking income is generated in urban areas of authorities. For sparse authorities, income from their urban areas was 2.5 times that of income from their town & fringe areas and nearly 6 times higher than income from their village & dispersed areas. For less sparse authorities, urban income was 7.5 times that in town & fringe areas and 9 times higher than in village & dispersed areas. Non-sparse authorities responding did not have income in town & fringe or village & dispersed areas of their authority.

## Economic development and community development

- *Quantification of costs.* A number of authorities were able to quantify the additional costs associated with geographical factors, all of which related to more rural factors, such as outreach, travel, accessibility and bringing providers to locations.

## Libraries

- *Subjective costs.* Sparse authorities generated the highest proportion of income to expenditure, more than double that of non-sparse authorities. Non-sparse authorities had the highest proportion of employee costs, which could be linked to the larger proportion of full time employees. Sparse authorities' premises costs as a proportion of expenditure were double those of non-sparse and less-sparse authorities.
- *Premises costs for a typical library.* Based upon data for a typical single library in different geographical locations, premises costs as a proportion of total expenditure increased in relation to rurality. These increased by 17% between urban and village & dispersed areas in sparse authorities and by 30% between urban and village & dispersed areas in less sparse authorities (non-sparse authorities did not have libraries in non-urban areas). This is likely to indicate the higher fixed costs of premises associated with service provision in more rural areas, although could also be linked to proportionally lower employee costs in more rural areas e.g. due to less full time staff and/or use of volunteers.
- *Cost per visit.* The cost per visit data was mixed, identifying that, whilst for sparse authorities, costs per visit were lowest in urban areas of the authority, for less sparse authorities, costs per visit were 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, in terms of potentially higher visit numbers in urban locations, set against potentially lower employee costs in more rural locations.

## Highways

- Authorities were able to describe a range of factors that influenced the costs of highways and bridge maintenance, most of which related to geographical factors, although 'topography' rather than 'rurality' per se was often seen to have the greatest influence on costs. However, authorities were unable to support the qualitative information with relevant cost data, which will, in some cases, be linked to the averaging out of contracts, where the service is delivered externally. Sparse authorities, on average, were identified as having capitalised a far greater proportion of expenditure (66% for sparse compared to 57% for less sparse and 39% for non-sparse authorities). Authorities also provided a range of views on the factors used in the current Highways Maintenance Relative Needs Formula.

## Adult Social Care

- *Subjective costs.* The proportion of expenditure covered by income is highest in sparse areas. This may indicate a greater potential to generate income or it could indicate lower overall costs.

- *Agency staff.* The proportion of agency staff was highest in less sparse and non-sparse authorities (around double that in sparse authorities).
- *Out of area placements.* Sparse authorities reported the lowest proportion of out of area placements (around a third that of non-sparse authorities and a quarter that of less sparse authorities). This could potentially reflect the larger geographic nature of sparse authorities and greater availability of provision within the area.
- *Travel claims.* Although proportion of time spent travelling was lowest in less sparse authorities, these authorities still had the highest average travel claim per officer.
- *Travel downtime.* Less sparse authorities had the highest cost of downtime, around double that of sparse and non-sparse authorities, although this should be caveated, as data for this question was only received from two authorities in each category.
- *Residential care additional premia.* A number of residential care premia were identified, across both rural and urban settings, largely in relation to market factors, location and incidence of self-funders.
- *Domiciliary care rates and premia.* Differential hourly rates were identified, with a premia for the average rate for domiciliary care of 5% between non-sparse and less sparse authorities and 11% between non-sparse and sparse authorities. A range of (largely rural) premia were also able to be quantified by authorities.
- *Day care.* Sparse and less sparse authorities received less income in proportion to expenditure for day care. Sparse authorities had a significantly higher proportion of travel costs (19% higher than less sparse and 17% higher than non-sparse authorities).

### Children's Social Care

- *Subjective costs.* Sparse authorities reported the highest proportion of income to expenditure.
- *Agency staff.* Less sparse and non-sparse authorities reported the highest proportion of agency costs, at almost double those of sparse authorities.
- *Out of area placements.* Non-sparse authorities reported the highest proportion of spend on out of area placements by far (43% compared to 16% for sparse authorities and 10% for less sparse authorities). This could reflect the larger geographic nature of more rural authorities, with greater capacity for in-house provision
- *Travel claims.* Although non-sparse authorities had a significantly higher proportion of staff time spent travelling (possibly linked to greater numbers of out of area placements), travel claims were highest for less sparse authorities.
- *Foster care and adoption.* Payments to foster carers/agencies for the non-sparse authorities were below those for sparse and less-sparse authorities. Payments to adopters were relatively similar. Authorities were asked if there were additional premia paid for foster and adoption; however, these were related to the additional needs of individual children, rather than geographical factors.



## 1. Introduction

- 1.1 As part of the DCLG/DEFRA commissioned Research into Drivers of Service Costs in Rural Areas, a quantitative survey of a sample of 30 authorities (from over 90 that volunteered to take part in the research) took place during August/September 2014. The aim of the survey was to consider more detailed data on costs and activity levels, which would be available at sub-local authority level, to identify whether there was evidence of any potential unavoidable cost differences in providing services in areas of differing rurality, as a result of geographical factors.
- 1.2 It should be noted that precisely defining what is represented by an ‘unavoidable’ cost is difficult, given that there is differing scope for interpretation. Unavoidable costs might generally be taken to mean those which arise as a result of factors beyond an authority’s control, such as the geographical size of an authority. However, even so, there are clearly a number of different ways in which policy/service choices can be made to address such factors, and so authorities might feel that most of their costs are unavoidable.
- 1.3 A measure of service quality would also need to be considered to identify whether a significantly higher quality or volume of service was being provided as a deliberate policy choice; however, given that there is often no defined standard level of service, this is difficult to determine. There is also scope for alternative views as to measures of service quality e.g. which performance indicators/outcomes best define this.
- 1.4 For these reasons, for the purposes of this survey, adjustments to service costs provided were made in relation to area costs, to take account of regional cost differences (using the appropriate Area Cost Adjustment for the service concerned), but costs were otherwise compared directly. Similarly, controls for factors giving rise to potential cost differences e.g. deprivation, were not applied.
- 1.5 This paper sets out the results of the analysis of the survey and provides views, for each service surveyed, as to whether there is an indication of evidence of differential costs in providing services in differing geographical areas.

## 2. Quantitative survey background

- 2.1 LG Futures was commissioned to gather quantitative survey data from 25 authorities, across as broad a range of ruralities as possible, given the types of authority that volunteered to take part in the research. For the purposes of sampling, LG Futures devised thresholds to define three rurality groups (‘sparse’, ‘less sparse’ and ‘non-sparse’).
- 2.2 30 authorities were selected purposively across a range of ruralities, regions and types of authorities, with 27 authorities actually providing data. The 27 authorities that took part in the survey are shown in the table overleaf, by rurality, function and region. As can be seen from the table, the degree of authorities’ rurality was relative in nature.

**Table 2.1: Authorities taking part in the survey by rurality, function and region**

Function(s)	'Sparse'	'Less Sparse'	'Non-Sparse'
<b>L</b> (Shire Districts)	Ryedale (YH) West Devon (SW) West Lindsey (EM)	Broadland (E)	East Staffordshire (WM) Pendle (NW)
<b>UL/ULF</b> (Unitaries, Met Districts, London Boroughs)	East Riding (YH) Herefordshire (WM) Shropshire (WM) Wiltshire (SW) Cornwall (SW)	Bath & NE Somerset (SW) Cheshire East (NW) Cheshire West & Chester (NW) North Somerset (SW) Wakefield (YH) Isle of Wight (SE)	Blackpool (NW) Bournemouth (SW) Lambeth (L)
<b>U/UF</b> (County Councils)	North Yorkshire (YH) Worcestershire (WM) Cumbria (NW) Warwickshire (WM)	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

2.3 The services that were included in the survey were agreed with DCLG and DEFRA in advance and were primarily decided based on the following criteria:

- **Economies of Scale:** whether the level of provision of a service in differing geographical areas might differ e.g. smaller premises with higher fixed operating costs in rural areas;
- **Service Points:** whether greater numbers of service points might be required in rural areas, with subsequent additional cost;
- **Visits/travelling:** where services involve a significant degree of travel and therefore distance/travel time/difficulties in clustering visits may lead to greater costs;
- **Market/alternative options:** whether rurality affects the market by limiting the available options for service delivery and impacts upon costs; and
- **Ability to generate income:** whether rurality affects income generation opportunities by limiting the potential to charge for services.

- 2.4 In addition, cognisance was taken of the likely ability of local authorities to be able to provide information in a useful and consistent format. For example, public transport was initially considered for survey, but, although data existed on payments to operators/routes, it was identified that it would be difficult to readily split journeys by type of rurality, given the fact that they cross areas of differing rurality and they may even cross into other authorities. This area was therefore investigated through the qualitative interviews.
- 2.5 Taking into account the above, it was agreed with DCLG/DEFRA to include the following 10 services in the survey:
- Regulatory Services
  - Waste Collection
  - Economic Development and Community Development
  - Building Control and Development Control
  - Temporary Accommodation
  - Parking
  - Libraries
  - Highways Maintenance
  - Adult Social Care
  - Children's Social Care
- 2.6 Where possible, the survey requested that authorities provide 2013/14 actual outturn data in response to the financial questions, using service definitions and subjective classifications based on the Revenue Outturn forms. Service/activity data was also requested for 2013/14, so that this was for the same period as expenditure data.
- 2.7 Prior to surveys being circulated to authorities, piloting of the proposed questions took place with a small group of authorities, to test the availability of data and to ensure that definitions and questions were as clear/consistent as possible. The final agreed surveys were provided to authorities for completion in both online and word format, so that they could return these in a format that best suited them.
- 2.8 In addition to the quantitative questions asked, the survey included a number of free text fields that allowed authorities to include additional comments on factors affecting costs in areas of differing geography. Where they were able to, authorities were also asked to place a value on the additional annual cost of such geographical factors. These estimates will clearly be dependent upon assumptions made by individual authorities and can vary quite significantly, so should be considered in this context, in terms of providing an indication of such potential additional costs. Other than using a de minimis limit of £10,000 for individual costs, no adjustment to these identified annual costs was made by LG Futures.
- 2.9 The number of responses for each of the services by authority type in terms of rurality is shown in the table below. Clearly, not all authorities provide all services, given the split between lower and upper tier services. It should be noted that not all authorities were able to respond to all questions within individual service surveys.

**Table 2.2: Numbers of responses to service surveys**

Service	'Sparse'	'Less sparse'	'Non-sparse'	Total
Regulatory Services	11	5	5	21
Waste Collection	7	5	4	16
Building Control & Development Control	9	5	5	19
Temporary Accommodation	6	6	4	16
Parking	12	5	5	22
Economic Development & Community Development	10	6	4	20
Libraries	9	6	4	19
Highways Maintenance	8	4	3	15
Adult Social Care	8	4	4	16
Children's Social Care	8	6	3	17

2.10 Analysis of survey responses for each individual service in terms of quantitative data and issues identified is presented in the remainder of this report.

### 3. Regulatory Services

3.1 The Regulatory Services survey was completed by 21 authorities. These included:

- 11 Sparse, 5 Less Sparse and 5 Non-Sparse Authorities
- 6 County Councils, 6 District Councils, 1 Metropolitan District and 8 Unitary Authorities

#### Service delivery models

3.2 Respondents were asked to identify the service delivery model used and, of those that responded to this question:

- 17 authorities provided the service substantially in-house (more than 75%)
- 2 authorities provided the service through a shared service arrangement. These were both Sparse authorities.

#### Additional geographical-related costs

3.3 Authorities were asked whether they believed that there are additional costs faced by authorities as a result of geographical factors. 17 authorities replied 'yes' to this question, with no response being received from the other authorities.

3.4 We then asked authorities to identify what factors led to additional geographical-related costs. The following table shows a summary of the responses split between factors that are more rural vs. urban-focused.

**Table 3.1: Geographical Factors – Additional Costs**

Rural Focus	Urban Focus
<ul style="list-style-type: none"> <li>• Dispersed settlements and services</li> <li>• Combination of higher fuel costs and longer travel times resulting in higher mileage claims</li> <li>• Premises costs – multiple bases required at various points in the authority (but does reduce overall travel time)</li> <li>• Specialist locations e.g. farms, ports</li> <li>• Limited public transport infrastructure</li> <li>• Impact of tourism</li> <li>• Delivering high number of low volume services</li> <li>• Diversity of equipment and expertise</li> <li>• Impact of rural isolation/poverty</li> <li>• Lack of internet/mobile connectivity – more visits required</li> <li>• Lone worker policies mean two inspectors required to travel to remote locations</li> </ul>	<ul style="list-style-type: none"> <li>• Density of urban areas – lots of buildings of multiple occupation e.g. student halls</li> <li>• Large events</li> <li>• Continuous events</li> <li>• High volume of licenced premises</li> <li>• Night time economy, particularly relating to food/drink establishments</li> <li>• Dealing with multiple issues concurrently</li> <li>• Transience – increased need of incoming individuals</li> <li>• Visitor numbers</li> <li>• High levels of vulnerable residents</li> <li>• Greater concentration of specific activities requiring follow-up e.g. rogue traders</li> </ul>

3.5 Authorities were also asked to quantify the additional annual costs of geographically-related factors, where possible. The additional costs identified are shown below for authorities in differing types of rurality, although some of these costs could be considered to be wider in nature than specifically geographical:

- Sparse: private water supplies (£46k)
- Less sparse: farms (£100k), private water supplies (£10k)
- Non-sparse: travel time (£10k), recruitment/retention (£34k)

### Cost data

3.6 We asked authorities to provide cost and income data, with this data being used to calculate the proportions of total expenditure that are represented by employee and transport costs. We also calculated income as a proportion of expenditure to see if this could indicate a difference in the proportion of costs that could be recovered through sales, fees and charges income. The results are shown in the following table;

**Table 3.2: Regulatory Services – Cost Data**

Category	Costs/Income as a Proportion of Gross Expenditure		
	Employee Costs	Transport Costs	Income
Sparse	57%	3%	21%
Less Sparse	67%	2%	23%
Non-Sparse	61%	2%	32%
<b>Responses</b>			
Sparse	11	11	11
Less Sparse	5	5	5
Non-Sparse	5	5	5

3.7 The table shows that the proportion of transport costs were almost identical for all types of rurality, although in overall percentage terms, travel costs represent a very low proportion of expenditure. The proportion of employee costs were lowest for sparse authorities and highest for less sparse authorities. In terms of the proportion of income to expenditure, non-sparse authorities reported a higher proportion of income generation (around 50% higher than sparse and less sparse authorities), which may indicate greater potential to generate income for this service area or lower relative costs.

### Travel time

3.8 We asked authorities for details of staff numbers and the numbers of those staff that spent time travelling. We also asked for the proportion of time spent travelling on average and the average annual travel claim for a travelling member of staff, where available. The results from the survey are shown in the table below.

**Table 3.3 – Regulatory Services – Travel Data**

Category	Travelling FTE as Proportion of FTE	Proportion of Time Spent Travelling	Average Travel Claim p/a
Sparse	75%	61%	£1,483
Less Sparse	69%	42%	£683
Non-Sparse	74%	21%	£877
<b>Responses</b>			
Sparse	10	10	7
Less Sparse	5	5	3
Non-Sparse	5	4	3

- 3.9 The table shows that staff in less sparse and sparse authorities with travel as a regular part of their role spent proportionally more time travelling than in non-sparse authorities (around double and triple respectively). There were also higher average annual travel claims per officer in sparse authorities, 117% higher than less sparse authorities and 69% higher than non-sparse authorities.

### Visits and downtime

- 3.10 The survey requested information on the average number of visits per annum per FTE officer and the average downtime for each visit in minutes.

**Table 3.4: Regulatory Services – visits per officer and downtime**

Category	Visits p/a per FTE	Average Downtime (Minutes)
Sparse	421	45
Less Sparse	362	65
Non-Sparse	400	23
<b>Responses</b>		
Sparse	6	5
Less Sparse	4	3
Non Sparse	2	3

- 3.11 The data shows that sparse and non-sparse authorities reported the highest number of visits. Less sparse authorities had the lowest number of visits and highest downtime, although the response rates to this question were relatively low.
- 3.12 Authorities were asked to provide details of the amount of downtime for each geographical area within their authority, in order that intra-authority comparisons could also be made and the results are shown in the following table. Using a simplification of DEFRA's Rural-Urban classification system, geographical areas were separated into 'urban', 'town & fringe' and 'village & dispersed' geographies.

**Table 3.5 – Regulatory Services – Downtime**

Category	Urban - downtime	Town & Fringe - downtime	Village & Dispersed - downtime
Sparse	20	33	56
Less Sparse	25	53	75
Non-Sparse	20	30	60
<b>Responses</b>			
Sparse	3	4	4
Less Sparse	2	2	2
Non-Sparse	3	2	1

- 3.13 By requesting the total amount of time an officer spends travelling on average, average salary costs, the amount of downtime and the total number of visits per year, we calculated the notional cost of downtime. The result is shown in the following table.

**Table 3.6: Regulatory Services – cost of downtime**

Category	Notional Cost of Downtime Per Officer £
Sparse	7,282
Less Sparse	8,795
Non-Sparse	2,630
<b>Responses</b>	
Sparse	4
Less Sparse	1
Non-Sparse	1

- 3.14 The table shows that less sparse authorities had the highest cost of downtime at £8,795 (3.3 times that of non-sparse authorities), followed by sparse authorities at £7,282 (2.8 times that of non-sparse authorities). The results need to be caveated by the low response rates here, however, in terms of authorities that were able to answer all the questions in order to allow the average cost of downtime to be calculated (only one authority for less sparse and non-sparse).



## Conclusion

- 3.15 The Regulatory Services survey has provided some evidence of the potential additional costs faced by authorities in rural areas. The quantitative data supports the qualitative issues raised of the reasons highlighted for additional costs, which are predominantly related to the additional costs associated with travel and downtime.

## 4. Waste Collection

- 4.1 The Waste Collection Survey was completed by 16 authorities. These included:

- 7 Sparse, 5 Less Sparse and 4 Non Sparse authorities
- 6 District Councils, 1 London Borough, 1 Metropolitan District and 8 Unitary Authorities

### Service delivery models

- 4.2 We asked respondents to identify the service delivery model used and, of those that responded to this question:

- 8 authorities provided the service substantially in-house
- 7 authorities had outsourced the service
- 1 authority operated a PFI contract

### Additional geographical-related premia

- 4.3 Only one authority (which provided the service in-house) was able to specifically identify direct additional costs relating to delivering the waste collection service in different geographical locations. These related to three bands: town and fringe, urban and village. The additional costs identified were:

- £0 p/a for town and fringe
- £78,000 p/a for urban
- £782,000 p/a for village

### Waste collection frequency and properties per round

- 4.4 We asked authorities to provide details of waste and recycling collection frequencies to identify any potential differences in collection policy. Most authorities collected general waste and recycling on a fortnightly basis. Four authorities collected general waste weekly.
- 4.5 We also asked authorities to provide details of the number of waste collection rounds and the total number of domestic properties collected from in different geographical areas. From this

data, we calculated the average number of properties per round, as shown in the following table.

**Table 4.1 – Average properties per domestic waste collection round**

Category	Average Properties Per Round					
	Urban	Town & Fringe	Village & Dispersed	Urban	Town & Fringe	Village & Dispersed
Sparse	2,145	1,315	1,061	47%	29%	23%
Less Sparse	2,284	1,883	736	47%	38%	15%
Non-Sparse	2,776	661	400	72%	17%	10%

- 4.6 The table shows that, as would be expected, sparse and less sparse authorities had considerably higher numbers of properties in non-urban locations than non-sparse authorities. However, it also illustrates the considerably lower numbers of properties per round across all types of authority in more rural areas. These range from around 1.2 to 4.2 times the number of properties between urban and town & fringe and around 2 to 7 times the number of properties between urban and village & dispersed, per round.

### Example round

- 4.7 Authorities were requested to provide details of distance, time taken and cost for an example round in each of the three differing geographies within their authority (urban, town & fringe, village & dispersed).
- 4.8 Few authorities were able to provide cost data, and, where they did, this was often at aggregate level, rather than individual round level. The time taken per round was broadly the same across all types of rurality i.e. based on a working day, but with less properties being collected from in more rural areas. The following table shows the results from the data received on distance.

**Table 4.2 – Average distance for an example round**

Category	Urban distance (miles)	Town & Fringe distance (miles)	Village & Dispersed distance (miles)
Sparse	57	63	103
Less Sparse	36	50	68
Non-Sparse	30	36	66
<b>Responses</b>			
Sparse	3	3	3
Less Sparse	3	3	3
Non-Sparse	4	2	2

- 4.9 The table shows the consistently longer distance per round across all types of authority in more rural areas. On average, these differences are 1.2 times the distance between urban

and town & fringe and around 1.9 times the distance between urban and village & dispersed, per round.

- 4.10 Although, as identified above, authorities were not generally able to provide costs for individual example rounds, one sparse district had, however, previously undertaken multiple linear regression analysis into the additional costs of providing waste collection in rural areas.
- 4.11 The study looked at a waste collection crew that went out on five different rounds during the week using the same refuse truck. The study compared a Wednesday round with a Friday round. On Wednesday, the truck went to a market town with a population of 5,000, and some isolated areas. On the other days, it went to surrounding villages and hamlets. The time taken was similar for each round.
- 4.12 The Wednesday route collected from 1,499 properties, an area of 8.16 square km, travelling 168km with an average distance between properties of 112m. The Friday route collected from 473 properties, an area of 79.14 square km, travelling 220km with an average distance between properties of 466m.
- 4.13 This highlighted the following ratios between the Wednesday and Friday round:
- Area served 1:9.7 (i.e. 8.16 sq km to 79.14 sq km)
  - Distance travelled 1:1.3
  - Properties collected from 3.2:1
  - Distance between properties 4.2:1
- 4.14 The council analysed its collection rounds by rural/urban classification and carried out multiple regression analysis on 20 refuse rounds. The conclusions drawn from this analysis were that:
- On average, village properties are 1.64 times more costly to collect from than town properties
  - On average, properties in hamlets and isolated rural dwellings are 2.78 times more costly to collect from than town properties
  - The “rural premia”, i.e. the costs of collecting from Villages and Hamlets, equates to £590k per annum.

## Conclusion

- 4.15 The waste collection survey highlighted a number of data issues. Only one authority provided data on the varying costs between different geographical rounds. A number of authorities commented on the difficulties of providing meaningful information on a round by round basis. The depth of the previous regression analysis undertaken by a sparse district highlights the degree of work required to provide robust data for this area. It is also clear that, for those authorities with outsourced services, contractors prices do not explicitly include additional premia, but rather are averaged into an overall contract price. As might be expected, across all types of authority, as rounds become more rural, these have fewer properties per round and greater total distances travelled.

## 5. Building and Development Control

5.1 The Building and Development Control Survey was completed by 19 authorities. These included:

- 9 Sparse, 5 Less Sparse and 5 Non-Sparse authorities
- 2 County Councils, 6 District Councils, 1 London Borough, 1 Metropolitan District and 9 Unitary authorities.

### Service delivery models

5.2 We asked respondents to identify the service delivery model used. Of those that responded to this question:

- 14 authorities provided the service substantially in-house
- 2 authorities provided some or all of the service through a joint venture partnership

### Additional geographical-related costs

5.3 The survey asked authorities whether they believed that there are additional costs faced by authorities as a result of geographical factors. 17 authorities replied 'yes' to this question.

5.4 We then asked authorities to identify what factors led to additional geographical-related costs. The following table shows a summary of the responses from a more rural vs. more urban perspective from authorities.

**Table 5.1 Additional Costs**

Rural Focus	Urban Focus
<ul style="list-style-type: none"> <li>• Travel time and limitations of public transport alternatives</li> <li>• Smaller fees for domestic work</li> <li>• Travel costs (higher fuel costs)</li> <li>• Rural specific issues e.g. wind turbines, mineral sites, conservation areas, areas of outstanding natural beauty (AONB)</li> <li>• Multiple tiers of local government e.g. parish councils</li> <li>• Lack of high speed broadband connectivity</li> <li>• High proportion of low income and minor development projects that do not incur fees</li> <li>• Large scale agricultural development</li> <li>• Dispersed workforce</li> <li>• Small teams with high overheads</li> </ul>	<ul style="list-style-type: none"> <li>• Larger projects require intensive input</li> <li>• Staff costs higher in urban areas</li> <li>• Insurance costs for large scale developments</li> <li>• Planning across adjoining urban areas</li> <li>• Travel times in congested urban areas</li> </ul>

- 5.5 Authorities were also asked to quantify the additional annual costs of these factors, where possible. The main additional costs identified are shown below for authorities in differing ruralities (where more than one cost is shown in parentheses, this indicates that different authorities have identified different cost amounts for the same geographical factor):
- Sparse: travel costs (£23k), small scale developments (£255k), variety of property values (£255k), AONB (£189k), wind farms (£22k)
  - Less sparse: travel costs (£47k, £116k)
  - Non-sparse: travel time (£22k)

### Cost Data

- 5.6 Authorities were asked to provide cost and income data, with this data being used to calculate the proportions of total expenditure that are represented by employee and transport costs. We also calculated income as a proportion of expenditure to see if this could indicate a difference in the proportion of costs that could be recovered through sales, fees and charges income. The results are shown in the following table.

**Table 5.2: Building and Development Control – cost and income data**

Category	Building Control Income as Proportion of Exp.	Dev. Control Income as Proportion of Exp.	Building Control Employee Costs as Proportion of Exp.	Dev. Control Employee Costs as Proportion of Exp.	Building Control Transport Costs as Proportion of Exp.	Dev. Control Transport Costs as Proportion of Exp.
Sparse	65%	71%	68%	61%	1.3%	1.5%
Less Sparse	63%	63%	64%	55%	0.7%	1.1%
Non-Sparse	74%	62%	87%	48%	0.7%	0.5%
<b>Responses</b>						
Sparse	6	8	5	8	4	8
Less Sparse	4	5	5	5	5	5
Non-Sparse	5	4	3	2	2	4

5.7 The table shows that:

- Sparse authorities report the highest proportion of transport costs (double that compared to less sparse and non-sparse authorities), although in overall percentage terms, travel costs are a very low proportion of expenditure
- Non-sparse authorities report a higher proportion of income to expenditure for building control, but a lower proportion for development control
- Non-sparse authorities had the highest proportion of employee costs for building control but the lowest for development control
- Other than transport costs, which are very low in relative terms, there do not, therefore, seem to be any clear patterns in relation to differences between rural and urban authorities

5.8 We asked authorities to provide details of the number of planning applications per annum, split between major, minor and other applications, as shown below.

**Table 5.3 – Average numbers of planning applications per annum by type**

	Planning Applications					
Category	Major	Minor	Other	Proportion Major	Proportion Minor	Proportion Other
Sparse	84	816	1,185	5%	43%	52%
Less Sparse	112	677	1,913	4%	26%	70%
Non Sparse	39	385	727	4%	33%	63%
<b>Responses</b>						
Sparse	5	5	5	5	5	5
Less Sparse	2	2	2	2	2	2
Non Sparse	4	4	4	4	4	4

- 5.9 Almost identical proportions of major applications were reported by all types of authority, although these were relatively low as a proportion of all applications, with sparse authorities reporting the highest proportion of minor planning applications and less sparse authorities reporting the highest proportion of other applications.
- 5.10 In terms of total numbers of applications, these were highest for less sparse authorities (2,702), followed by sparse authorities (2,085) and non-sparse authorities (1,151), although these figures will be influenced by the size and nature of authorities responding to the survey.

### Travel time

- 5.11 The survey asked authorities for details of staff numbers and the numbers of those staff that spent time travelling. We also asked for the proportion of time spent travelling on average and the average annual travel claim for a travelling member of staff. The results from the survey are shown in the following table.



**Table 5.4: Building and Development Control – travel data**

Category	Travelling FTE as Proportion of FTE	Proportion of Time Spent Travelling	Average Travel Claim p/a
Sparse	6%	31%	£2,036
Less Sparse	15%	54%	£1,394
Non-Sparse	12%	34%	£1,619
<b>Responses</b>			
Sparse	7	7	7
Less Sparse	4	5	5
Non-Sparse	5	3	3

- 5.12 The table shows that staff in sparse authorities had a lower proportion of staff travelling and that these staff spent less time travelling, although average travel claims per officer were 25% higher than non-sparse authorities and 46% higher than less sparse authorities.

### Visits and downtime

- 5.13 We asked for information on the average number of visits that took place per officer per annum and the average downtime for each visit in minutes. This is shown in the following table:

**Table 5.5: Regulatory Services – average visits and downtime**

Category	Visits per officer per annum	Average Downtime (Minutes)
Sparse	265	40
Less Sparse	558	25
Non-Sparse	346	29
<b>Responses</b>		
Sparse	5	7
Less Sparse	4	3
Non-Sparse	4	5

- 5.14 The table shows that, based on the survey data, sparse authorities carried out 53% fewer visits than less sparse authorities and 23% fewer visits than non-sparse authorities. Downtime was 60% higher in sparse authorities than in less sparse authorities and 38% higher than in non-sparse authorities.

- 5.15 We asked authorities to provide details of the amount of downtime for each visit in differing geographical areas within their authority. This represents the amount of time officers spent getting to or from a visit and hence which were unproductive.

**Table 5.6: Building and Development Control – downtime**

Category	Urban - downtime	Town & Fringe - downtime	Village & Dispersed downtime
Sparse	20	33	65
Less Sparse	30	75	90
Non-Sparse	17	50	65
<b>Responses</b>			
Sparse	2	2	2
Less Sparse	1	1	1
Non-Sparse	3	1	2

- 5.16 This question had a very low response rate and hence it is not possible to draw a robust conclusion, but the limited data indicates that village and dispersed downtime was around three times greater than urban downtime across all types of authority.
- 5.17 By requesting the total amount of time an officer spends travelling on average, salary costs, the amount of downtime and the total number of visits per year, we calculated the notional cost of downtime. The result is shown in the following table.

**Table 5.7: Building and Development Control – cost of downtime**

Category	Notional Cost of Downtime Per Officer £
Sparse	2,675
Less Sparse	3,684
Non-Sparse	2,806
<b>Responses</b>	
Sparse	5
Less Sparse	2
Non-Sparse	4

- 5.18 The table shows that less sparse authorities had the highest cost of downtime at £3,684, around 1.4 times that of sparse authorities and around 1.3 times that of non-sparse authorities. The calculation reflects the lower than average number of visits carried out by staff in sparse authorities, even though downtime per visit is greater.

## Conclusion

- 5.19 The Building and Development Control survey highlighted a number of cost pressures with a rural and urban focus. The main focus of the analysis was on travel time. Sparse authorities reported fewer visits overall, although the amount of downtime for each visit was considerably higher. This should be caveated by the low response rate to a number of the questions within the survey, however.

## 6. Temporary Accommodation

- 6.1 The Temporary Accommodation Survey was completed by 15 authorities. These included:
- 6 Sparse, 5 Less Sparse and 4 Non-Sparse authorities
  - 5 districts, 1 London borough, 1 Metropolitan authority and 8 unitary authorities

### Service delivery models

- 6.2 We asked respondents to identify the service delivery model used. Of those that responded to this question;
- 11 authorities provided the service fully or substantially in-house
  - 1 authority provided the service 50/50 with the voluntary sector
  - 1 authority provided the service through a local authority company
  - 1 authority outsourced the service

### Additional geographical-related costs

- 6.3 We asked authorities whether they felt that there are additional costs faced by authorities because of geographical factors. Of those that responded, 11 authorities replied 'yes' to this question and 2 (both less sparse authorities) replied 'no'.
- 6.4 We then asked authorities to identify what factors lead to additional geographical-related costs. The following table shows a summary of the responses from a more rural vs. more urban perspective from authorities.

**Table 6.1 Additional Costs**

Rural Focus	Urban Focus
<ul style="list-style-type: none"> <li>• No central hub – teams split over large geographical area</li> <li>• Transport issues</li> <li>• Travel time/higher travel costs</li> <li>• Temporary accommodation in dispersed locations – extra management cost</li> <li>• Supply limitations (costs higher)</li> <li>• Reliance on out of area accommodations</li> <li>• High costs of temporary accommodation, particularly in the summer</li> <li>• Impact of isolation</li> <li>• Lack of associated agencies/ voluntary sector in isolated areas</li> </ul>	<ul style="list-style-type: none"> <li>• Scale of homelessness (arising from social breakdown and chaotic lifestyles)</li> <li>• Inward migration</li> <li>• Varying levels of local housing allowances</li> <li>• Availability of temporary and supported accommodation</li> <li>• Population size/churn</li> <li>• Availability of accommodation – private rental market overheated, leading to higher rates</li> <li>• Space constraints for building new provision</li> <li>• Impact of placements by other authorities into urban centres</li> </ul>

6.5 Only three authorities were able to quantify the additional costs of some of these factors, as shown below, although some of the factors for non-sparse authorities could be considered to also be linked to wider socio-economic issues.

- Sparse: No central hub (£50k), Dispersed temporary accommodation (£14k)
- Non-Sparse: Social breakdown/chaotic lifestyles (£500k), In-migration (£300k)

**Costs of temporary accommodation used**

6.6 We asked authorities to provide details of the average weekly cost for each type of temporary accommodation, to seek to identify whether these varied significantly e.g. as a result of supply factors. These costs are shown below, deflated by the Environmental, Protective and Cultural Services (EPCS) Area Cost Adjustment.

**Table 6.2 – Average Weekly Cost (£)**

Category	Other nightly paid, privately managed accomm.	Private managed accomm. leased by the authority	Hostels (non-HRA support)	Bed/breakfast accommodation	Directly with a private sector landlord	Accommodation within the authority's own stock (non-HRA)	Other temporary accommodation	Accommodation within RSL stock
Sparse	275		164	552	151	180	387	82
Less Sparse		120	136	255	120		152	132
Non-Sparse	346	451	242	744				
<b>Responses</b>								
Sparse	2	-	3	6	2	1	2	2
Less Sparse	-	1	4	3	2	-	2	3
Non-Sparse	1	2	2	4	-	-	-	-

### Conclusion

- 6.7 The temporary accommodation survey attempted to highlight what approaches are used by different types of authority and the degree to which costs vary between the different categories of accommodation, to identify whether there might be supply factors involved.
- 6.8 Non-sparse authorities reported less usage of lower cost options, such as accommodation within their own stock, although this is linked to the level of availability of such stock. Overall, weekly rates were significantly higher in non-sparse areas, particularly in relation to bed and breakfast accommodation, although sparse authorities had a greater proportion of clients in bed and breakfast accommodation, which is the highest cost category. Response rates were, however, relatively low for this area.

## 7. Parking

7.1 The Parking Survey was completed by 22 authorities. These included:

- 12 Sparse, 5 Less Sparse and 5 Non-Sparse authorities
- 6 county councils, 5 district councils, 1 London borough, 1 metropolitan district and 8 unitary authorities

### Service delivery models

7.2 We asked respondents to identify the service delivery model used. Of those that responded to this question:

- 15 authorities provided the service fully or substantially in-house
- 1 authority provided the service through a shared service arrangement
- 1 authority provided the service through a joint venture partnership
- 3 authorities had fully or substantially outsourced the service
- 1 authority provided the service 57% through a local authority company, with the balance being provided in-house

### Ability to generate income

7.3 The survey requested details of expenditure and income levels, to consider whether there was a difference in ability to generate income between differing geographical areas.

7.4 The following table shows the average parking expenditure and income per annum by each type of authority.

**Table 7.1 – Parking expenditure and income per annum**

Category	Parking total expend. £'000	Parking total income £'000	Net income £'000
Sparse	1,745	3,516	1,770
Less Sparse	2,526	4,445	1,918
Non-Sparse	5,544	7,917	2,372
<b>Responses</b>			
Sparse	10	9	9
Less Sparse	5	5	5
Non-Sparse	5	5	5

- 7.5 Non-sparse authorities reported the highest average net surplus in the survey (24% higher than less sparse authorities and 34% higher than sparse authorities), although for this survey question, the data has potential to be skewed by the nature and size of authorities responding to the question. Net income was also requested by individual authorities' geographical area (urban, town & fringe and village & dispersed), as shown in the table below.

**Table 7.2 – Average net income by geographical area**

	Urban	Town & Fringe	Village & Dispersed
Category	Total net income (£'000)	Total net income (£'000)	Total net income (£'000)
Sparse	1,557	634	263
Less Sparse	5,258	693	579
Non-Sparse	2,530	2	2
<b>Responses</b>			
Sparse	7	5	6
Less Sparse	2	3	3
Non-Sparse	5	2	2

- 7.6 The table shows that the largest proportion of parking income is generated in urban areas of authorities. For sparse authorities, urban income was 2.5 times that of income in town & fringe areas and nearly 6 times higher than in village & dispersed areas.
- 7.7 For less sparse authorities, urban income was 7.5 times that in town & fringe areas and 9 times higher than in village & dispersed areas. Non-sparse authorities responding did not have income in town & fringe or village & dispersed areas of their authority.

### Conclusion

- 7.8 The Parking survey highlighted that non-sparse authorities generated the highest absolute average net income. The data reported on net income by geographical area also showed that by far the highest proportion of income is generated in urban areas.

## 8. Economic and Community Development

8.1 The Economic and Community Development Survey was completed by 20 authorities. These included:

- 10 Sparse, 6 Less Sparse and 4 Non-Sparse authorities
- 4 County Councils, 6 District Councils, 1 London borough, 1 Metropolitan authority, 8 unitary authorities

### Service delivery models

8.2 We asked respondents to identify the service delivery model used. Of the 18 authorities responding to this question, 7 authorities provided the service fully in-house. Of the remaining 11 authorities, a number had mixed service delivery models, with 6 authorities outsourcing an element of the service; 2 authorities having an element of shared service; 2 authorities using a local authority company; 3 authorities using a not for profit organisation; and 4 authorities using the voluntary sector.

### Additional geographical-related costs

8.3 We asked authorities whether they felt that there are additional costs faced by authorities because of geographical factors. 18 authorities replied 'yes' to this question.

8.4 We then asked authorities to identify what factors led to such additional geographical-related costs. The following table shows a summary of the responses from both a rural and urban perspective.

**Table 8.1 – Additional cost factors**

Rural Focus	Urban Focus
<ul style="list-style-type: none"> <li>• Transport costs</li> <li>• Travel times</li> <li>• Lack of public transport</li> <li>• Dispersion of settlements/population sparsity – impact on outreach services</li> <li>• Specialist expertise required</li> <li>• Coastal/island challenges</li> <li>• Small and micro business base</li> <li>• Lack of private sector support due to economies of scale</li> <li>• Size of projects may be limited but initial investment is not pro rata</li> <li>• Diversity of rural stakeholders</li> <li>• Lack of adequate meeting spaces</li> <li>• Impact of engagement with parishes</li> <li>• Lack of broadband connectivity</li> <li>• Lower numbers of participants in workshops</li> <li>• Policies for rural shops/rural economy</li> </ul>	<ul style="list-style-type: none"> <li>• Concentration of deprivation and health inequalities</li> <li>• Higher rental costs, especially in London</li> <li>• Cost/availability of suitable venues</li> <li>• Diversity of populations/social groups</li> <li>• Reachability – difficulties in accessing businesses and people</li> </ul>



- 8.5 Some authorities were able to quantify the additional costs of some of these factors, as shown below
- Sparse: Specialist rural policy (£206k), outreach (£10k, £10k), travel (£15k, £20k), sparsity of population (£10k), bringing providers to locations (£10k)
  - Less Sparse: Diversity of rural stakeholders (£100k), smaller community requirements (£50k), accessibility (£35k), low level of business space (£31k), separation by sea (£20k)

### Cost data

8.6 We asked authorities to provide cost and income data. This data was deflated by the relevant EPCS Area Cost Adjustment factor. We then used this data to calculate the proportions of total expenditure that are represented by employee and transport costs. We also calculated income as a proportion of expenditure to see if this could indicate a difference in the proportion of costs that could be recovered through sales, fees and charges income.

8.7 The results are shown in the following table:

**Table 8.3 – Economic Development and Community Development – cost data**

Category	Econ Dev. Income as a Proportion of Expenditure	Comm Dev. Income as a Proportion of Expenditure	Econ Dev. Employee Costs as a Proportion of Expenditure	Comm Dev. Employee Costs as a Proportion of Expenditure	Econ Dev. Travel Costs as a Proportion of Expenditure	Comm Dev. Travel Costs as a Proportion of Expenditure
Sparse	30%	10%	16%	52%	0.8%	0.9%
Less Sparse	62%	12%	10%	56%	0.6%	0.5%
Non-Sparse	49%	6%	14%	58%	2.6%	1.0%
<b>Responses</b>						
Sparse	10	8	10	8	10	8
Less Sparse	6	5	6	5	6	5
Non-Sparse	4	3	4	3	4	3

- 8.8 The table shows that sparse authorities have the lowest proportion of income to expenditure for economic development. There was considerably less income as a proportion reported for community development, although this showed non-sparse authorities having the lowest proportion of income to expenditure.
- 8.9 Sparse authorities had the highest proportion of employee costs to expenditure for economic development. For community development, the proportions of employee costs were relatively similar.
- 8.10 Non-sparse authorities reported the highest proportions of transport costs to expenditure, although transport costs were very low in relative terms.

## Conclusion

- 8.11 The economic and community development survey highlighted a number of cost pressure issues with both a rural and urban focus. A number of authorities were able to quantify the additional costs associated with geographical factors, all of which related to rural factors.

## 9. Libraries

9.1 The Libraries Survey was completed by 19 authorities. These included:

- 9 Sparse, 6 Less Sparse and 4 Non Sparse authorities
- 7 county councils, 1 London Borough and 11 unitary authorities

### Service delivery models

9.2 We asked respondents to identify the service delivery model used. Of those that responded to this question:

- 18 authorities provided the service substantially in-house
- 1 authority provided the service through a local authority company

### Operation of libraries

9.3 Authorities were asked to provide details of how libraries are operated, for example, whether they are used as stand-alone libraries, whether they incorporate other services, and/or are used as community hubs. Whilst there were stand-alone libraries, the majority of authorities incorporated other services within their libraries. This ranged from community hub and information services to the incorporation of services such as registration.

### Cost data

9.4 We asked authorities to provide cost and income data. This data was deflated by the EPCS Area Cost Adjustment factor. We then used this data to calculate the proportions of total expenditure that are represented by employee and premises costs. We also calculated income as a proportion of expenditure to see if this could indicate a difference in the proportion of costs that could be recovered through sales, fees and charges income.

9.5 The results are shown in the following table:

**Table 9.1 – Libraries – cost data**

Category	Income as a Proportion of Expenditure	Employees as a Proportion of Expenditure	Premises as a Proportion of Expenditure
Sparse	15%	44%	31%
Less Sparse	10%	53%	16%
Non-Sparse	7%	59%	16%
<b>Responses</b>			
Sparse	8	8	8
Less Sparse	5	5	5
Non-Sparse	4	4	4

9.6 The table highlights that:

- Sparse authorities generated the highest proportion of income to expenditure, more than double that of non-sparse authorities
- Non-sparse authorities had the highest proportion of employee costs, which could be linked to the larger proportion of full time employees
- Sparse authorities' premises costs as a proportion of expenditure were double those of non-sparse and less-sparse authorities.

9.7 We asked authorities to provide data for a typical single library in different geographical locations. The following table shows how premises costs vary between locations.

**Table 9.2 – Libraries – premises costs as a proportion of total expenditure in differing geographical locations**

Category	Urban	Town & Fringe	Village & Dispersed
Sparse	26%	31%	43%
Less Sparse	21%	20%	51%
Non-Sparse	19%		
<b>Responses</b>			
Sparse	8	8	8
Less Sparse	5	5	3
Non-Sparse	2	-	-

- 9.8 The table shows that premises costs as a proportion of total expenditure increase in relation to rurality, increasing by 17% between urban and village & dispersed areas in sparse authorities and by 30% between urban and village & dispersed areas in less sparse authorities (non-sparse authorities did not have libraries in non-urban areas). This is likely to indicate the higher fixed costs of premises associated with service provision in more rural areas, although could also be linked to proportionally lower employee costs in more rural areas e.g. due to less full time staff and/or use of volunteers.
- 9.9 For a typical library, we also compared costs and visits in different geographical locations (urban, town & fringe, village & dispersed) to calculate an average cost per visit.

**Table 9.3 – Libraries – cost per visit**

Category	Urban Cost Per Visit (£)	Town & Fringe Cost Per Visit (£)	Village & dispersed Cost Per Visit (£)
Sparse	1.77	2.77	2.40
Less Sparse	2.57	3.64	1.72
Non-Sparse	2.29		
<b>Responses</b>			
Sparse	8	7	7
Less Sparse	5	5	3
Non Sparse	1	-	-

- 9.10 The cost per visit data is 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, in terms of potentially higher visit numbers in urban locations, set against potentially lower employee costs in more rural locations.
- 9.11 Data on mobile libraries was also requested; however, information received was not sufficiently robust for analysis and so this issue was explored further through the qualitative interviews.

## Conclusion

- 9.12 The Libraries survey highlighted the relatively higher premises costs faced by sparse authorities, although non-sparse authorities reported the highest proportion of employee costs to expenditure. The extent to which premises costs as a proportion of expenditure increase as rurality increases was also identified, with costs per visit being mixed in areas of differing rurality.

## 10. Highways

10.1 The Highways Survey was completed by 15 authorities. These included;

- 8 Sparse, 4 Less Sparse and 3 Non-Sparse authorities
- 6 County Councils, 1 London Borough, 1 Metropolitan Authority and 7 Unitary authorities.

### Service delivery models

10.2 All of the authorities responded to the request for information on the service delivery model used.

- 1 authority provided the service fully in house
- 2 authorities fully outsourced the service
- 1 authority provided the service through a local authority company
- The remaining 11 used a combination of in-house and outsourced.

### Additional geographical-related costs – highways/bridge maintenance

10.3 We asked whether authorities believed that there are additional costs faced by authorities as a result of geographical factors. Of those that responded to the question, 12 authorities replied 'yes' and 2 replied 'no'.

10.4 We then asked authorities to identify what factors led to additional geographical-related costs. The following table shows a summary of the responses from a rural and non-rural perspective.

**Table 10.1 – Additional Cost Factors**

Rural Focus	Urban Focus
<ul style="list-style-type: none"> <li>• Diverse nature of rural road network</li> <li>• Travel distances to remote locations</li> <li>• Topography and accessibility for resources (plant and materials)</li> <li>• Length of rural road network</li> <li>• Network density i.e. length of alternative routes for diversions when required</li> <li>• Contractor costs in sparse areas</li> <li>• Additional depots need to support rural network</li> <li>• Current levels of deterioration in rural areas</li> <li>• Access issues for inspection/repair</li> </ul>	<ul style="list-style-type: none"> <li>• Greater traffic flows increase frequency of resurfacing and repair requirements</li> <li>• Volume of HGVs</li> <li>• Traffic sensitive routes in urban areas reduce productivity due to restrictions to working hours</li> <li>• Consultation costs</li> <li>• Requirement to work at night – out of hours working is more expensive</li> <li>• Economic impact of road closures</li> </ul>

- 10.5 Only one authority was able to quantify the additional costs associated with highways maintenance geographical factors, all related to different working arrangements, as shown below:
- Sparse: Restricted working hours (£106k), out of hours working (£26k), weekend working (£74k)

10.6 No authorities quantified additional geographical costs associated with bridge maintenance.

**Additional geographical-related costs – winter maintenance**

10.7 We asked authorities whether they believed that there are additional winter maintenance costs faced by authorities because of geographical factors. Of those that responded to the question, 11 authorities replied ‘yes’ and 2 replied ‘no’.

10.8 We then asked authorities to identify what factors lead to additional geographical-related costs. The following table shows a summary of the responses from a rural and urban perspective, although these costs could not be directly quantified.

**Table 10.2 Additional Cost Factors - Winter Maintenance**

Rural Focus	Urban Focus
<ul style="list-style-type: none"> <li>• Diversity of climatic zones – remote rural, coastal, moorland</li> <li>• Exposure levels/colder temperatures in rural areas</li> <li>• Remoteness</li> <li>• Accessibility – road width</li> <li>• Travel distances from operational centres</li> <li>• Length of road network</li> <li>• Extent of high use footways</li> </ul>	<ul style="list-style-type: none"> <li>• Extensive route structures that need to be kept clear – large traffic flows at peak periods</li> <li>• Population density – targeted activities such as snow clearance in urban centres</li> </ul>

**Capitalised expenditure**

10.9 Authorities were asked to provide details of the level of highways maintenance that is capitalised, given that there is likely to be a mix of revenue/capital spend in this service area.

**Table 10.3 – Capitalised expenditure**

Category	Capitalised Expenditure
Sparse	66%
Less Sparse	57%
Non Sparse	39%
<b>Responses</b>	
Sparse	7
Less Sparse	3
Non Sparse	3

10.10 The table shows that sparse authorities on average capitalised a far greater proportion of expenditure.

### Built-up roads in Relative Needs Formula

10.11 CLG requested that a specific survey question was asked about whether authorities believed the current Highways Maintenance Relative Needs Formula adequately reflected the cost of maintenance. 9 authorities responded to this question, with responses being as follows:

- 1 less sparse authority felt the approach is reasonable
- 1 less sparse authority commented that the formula should reflect higher speeds of rural roads
- 1 non-sparse authority felt that the principle of roads weighting is out of date and they do not define roads as urban and rural
- 1 sparse authority suggested that the factor is too high and suggested a weighting of 1.6:1
- 1 sparse authority identified that they had undertaken work to compare the annual revenue maintenance costs of a rural and urban highway and that this analysis found that costs were almost identical and that there should be a 1:1 weighting
- 2 sparse authorities commented that the formula fails to reflect the evolved nature of rural roads, as opposed to urban roads, which are specifically designed for purpose
- 1 sparse authority commented that the formula fails to reflect how the network operates at national or local level
- 1 sparse authority commented that the assessment of relative need should be through the application of asset management principles

### Conclusion

10.12 For the Highways survey, authorities were able to provide a range of factors that influenced costs of highways and bridge maintenance, most of which related to geographical factors,



although some could be considered as more directly relating to topography. Similarly, for winter maintenance, again a number of factors were identified. However, authorities were unable to support the qualitative information with relevant cost data.

## 11. Adult Social Care

11.1 The Adult Social Care Survey was completed by 16 authorities. These included;

- 8 Sparse, 4 Less Sparse and 4 Non-Sparse authorities
- 7 County Councils, 7 Unitary authorities, 1 London borough and 1 Metropolitan authority

### Service delivery model

11.2 We asked respondents to identify the service delivery model used. Of the 16 authorities responding, all used a combination of service delivery models. 14 had substantially outsourced the service (>50%), 1 used a combination of outsourced provision, joint venture company and not for profit organisation, 1 used a combination of joint venture company and not for profit organisation. All but 2 authorities retained an element of in-house provision, ranging from 2% to 42%.

11.3 Sparse authorities averaged 72% of services outsourced, less-sparse 63% and non-sparse 73%.

11.4 We asked authorities to provide cost and income data. This data was deflated by the relevant Area Cost Adjustment factor for the service. We then used this data to calculate the proportions of total expenditure that are represented by employee and travel costs. We also calculated income as a proportion of expenditure to see if this could indicate a difference in the proportion of costs that could be recovered through sales, fees and charges income.

11.5 We also asked authorities to provide details of out of area placements.

11.6 The results are shown in the following table:

**Table 11.1 – Adult Social Care – cost data**

Category	Income as a Proportion of Expenditure	Employee Costs as a Proportion of Expenditure	Agency Workers Costs as a Proportion of Expenditure	Transport Costs as a Proportion of Expenditure	Proportion of total expenditure on out of area placements (%)
Sparse	28%	19%	0.6%	1.8%	6%
Less Sparse	23%	8%	0.8%	0.9%	24%
Non-Sparse	24%	20%	0.9%	1.2%	17%
<b>Responses</b>					
Sparse	8	8	8	8	3
Less Sparse	4	4	4	4	2
Non-Sparse	4	4	4	4	4

- 11.7 The table shows that the proportion of expenditure covered by income is the highest in sparse areas. This may indicate a greater potential to generate income or it could indicate lower overall costs.
- 11.8 Employee costs as a proportion of expenditure are highest in non-sparse areas. Transport costs as a proportion of expenditure are highest in sparse authorities, although these costs are very low as a proportion of total expenditure.
- 11.9 Sparse authorities reported the lowest proportion of out of area placements (around a third of non-sparse authorities and a quarter of less sparse authorities). This could potentially reflect the larger geographic nature of sparse authorities and greater availability of provision within the area.

### Staff data

- 11.10 We asked for details of the numbers of permanent and agency staff. We also asked for details of staff who spent time traveling. The results are shown in the following table:

**Table 11.2 – Adult Social Care – staff data**

Category	Agency Staff	Travelling FTE as a Proportion of Total FTE	Proportion of Time Spent Travelling	Average Value of Travel Claim
Sparse	5.2%	55%	49%	£1,336
Less Sparse	9.7%	41%	37%	£1,437
Non-Sparse	11.0%	61%	50%	£910
<b>Responses</b>				
Sparse	7	6	4	4
Less Sparse	3	3	3	2
Non-Sparse	4	4	2	2

- 11.11 The table shows that levels of agency staff were highest in less sparse and non-sparse authorities (around double that in sparse authorities). Although proportion of time spent travelling was lowest in less sparse authorities, these authorities still had the highest average travel claim.
- 11.12 We asked for details of visits per annum for each travelling FTE and downtime. These are shown in the following table.

**Table 11.3 – Visits and downtime**

Category	Visits p/a	Downtime (Minutes)	Urban - downtime	Town & Fringe - downtime	Village & Dispersed - downtime
Sparse	324	42	24	81	73
Less Sparse	379	60			
Non-Sparse	183	27	40	75	75
<b>Responses</b>					
Sparse	3	3	1	1	1
Less Sparse	3	2	-	-	-
Non-Sparse	3	3	2	1	1

- 11.13 Non-sparse authorities carried out fewer visits and had less downtime between visits. Downtime in urban areas is significantly less than in non-urban areas.
- 11.14 By requesting the total amount of time an officer spends travelling on average, salary costs, the amount of downtime and the total number of visits per year, we calculated the notional cost of downtime. The result is shown in the following table.

**Table 11.4 Adult Social Care – Cost of Downtime**

Category	Notional Cost of Downtime Per Officer £
Sparse	3,208
Less Sparse	7,258
Non-Sparse	3,613
<b>Responses</b>	
Sparse	2
Less Sparse	2
Non-Sparse	2

- 11.15 The table shows that less sparse authorities had the highest cost of downtime at £7,258, around double that of sparse and non-sparse authorities, although this should be caveated as data for this question was only received from two authorities in each category.

### Additional premia for residential care

- 11.16 The survey asked if authorities paid any additional premia for residential care and what these premia are in respect of. Six authorities responded that they did pay additional premia. Survey respondents identified premia for residential care for hard to place clients, clients with specialist care needs, supply factors (especially in rural areas or areas with limited alternative provision) and market forces factors.
- 11.17 Some authorities were able to calculate the annual cost of these premia, although it should be noted that authorities are likely to have based these on different assumptions, given the significant variation in annual amounts identified.
- Sparse: Market capacity £1.2m, Monopoly market £0.2m, level of supply/private payers £4m
  - Less Sparse: Close proximity to London £2.5m
  - Non-Sparse: Shortage of supply £4.4m, difficult to place £1.1m

### Domiciliary Care – hourly rates

- 11.18 We asked authorities to provide details of the hourly rates paid for domiciliary care. The results are shown in the following table.

**Table 11.6 Average domiciliary care hourly rates**

Category	Hourly Dom Care Rate (£)	Max (£)	Min (£)
Sparse	15.02	17.10	13.01
Less Sparse	14.23	17.21	13.04
Non-Sparse	13.57	15.20	13.72
<b>Responses</b>			
Sparse	8		
Less Sparse	4		
Non-Sparse	4		

- 11.19 Differential hourly rates were identified, with a premia for the average rate for domiciliary care of 5% between non-sparse and less sparse authorities and 11% between non-sparse and sparse authorities. The survey also asked if there were additional premia paid for domiciliary care. The following factors were quantified, although it should be noted that authorities are likely to have based these on different assumptions, given the significant variation in annual amounts identified.
- 1 less sparse and 1 non-sparse authority highlighted premia related to proximity to London (£1.1m and £0.8m)
  - Sparse authorities identified additional rural-related premia as follows:

- Additional hourly rates £521k
- Locality Incentive £1.1m
- 20% rurality premia £0.9m
- Travel costs £2.3m
- Rurality and complicating factors, such as availability of staffing, local living costs (£8.7m)
- 1 authority highlighted a range of different hourly rural premia per call, but did not give an overall impact. The additional premia were £3 for a 15 minute call, £2 for a 30 minute call, £1.50 for a 45 minute call, £1 for a 60 minute call

11.20 We asked authorities to provide expenditure and income data for day care. We calculated the proportion of expenditure that was related to travel costs and the proportion of income to expenditure. This is shown in the following table.

**Table 11.8 Day care cost data**

Category	Income as a Proportion of Expenditure	Transport costs as a Proportion of Expenditure
Sparse	11%	28%
Less Sparse	10%	9%
Non-Sparse	17%	11%
<b>Responses</b>		
Sparse	6	5
Less Sparse	2	1
Non-Sparse	4	4

11.21 The table shows that the sparse and less-sparse authorities received less income in proportion to expenditure. Sparse authorities had a significantly higher proportion of travel costs to total expenditure (19% higher than less sparse and 17% higher than non-sparse authorities).

11.22 We asked authorities for details of the costs and expenditure for meals and this data is provided below.

**Table 11.9 Cost of meals**

Category	Cost £ per meal	Charge £ per meal	Net Cost Per Meal £
Sparse	4.39	3.00	1.39
Less Sparse	5.55	3.43	2.12
Non-Sparse	6.31	3.83	2.31
<b>Responses</b>			
Sparse	3	3	3
Less Sparse	2	2	2
Non-Sparse	2	3	2

11.23 Non-sparse authorities reported the highest net cost of providing meals, primarily due to significantly higher costs of provision, rather than a lower charge per meal.

### Conclusion

- 11.24 The Adult Social Care survey includes a number of quantified factors that impact on the cost of service delivery in different geographical locations.
- 11.25 A number of authorities were able to identify additional premia for geographical-related factors, for both residential and domiciliary care, some of which represent significant costs, although this varied quite considerably, suggesting differing assumption bases, with sparse authorities reporting the highest average domiciliary hourly rates.

## 12. Children's Social Care

12.1 The Children's Social Care Survey was completed by 17 authorities. These included:

- 8 Sparse, 6 Less Sparse and 3 Non-Sparse authorities.
- 5 County Councils, 10 Unitary authorities, 1 Metropolitan authority, 1 London Borough

### Service delivery models

12.2 We asked respondents to identify the service delivery model used. There were a wide variety of responses, but the majority of authorities provided the service through a combination of in-house and outsourced provision.

### Cost data

12.3 The survey asked authorities to provide cost and income data. This data was deflated by the relevant Area Cost Adjustment factor for the service. We then used this data to calculate the proportions of total expenditure that are represented by employee and travel costs. We also calculated income as a proportion of expenditure to see if this could indicate a difference in the proportion of costs that could be recovered through sales, fees and charges income.

12.4 We also asked authorities to provide details of out of area placements.

12.5 The results are shown in the following table.

**Table 12.1 – Children's Social Care – cost data**

Category	Income as a Proportion of Expenditure	Employee Costs as a Proportion of Expenditure	Agency Workers Costs as a Proportion of Expenditure	Transport Costs as a Proportion of Expenditure	Proportion of total expenditure on out of area placements (%)
Sparse	17%	34%	3.6%	2.5%	16%
Less Sparse	7%	34%	6.7%	6.6%	10%
Non-Sparse	5%	29%	6.4%	0.9%	43%
<b>Responses</b>					
Sparse	7	7	7	7	5
Less Sparse	3	3	3	3	4
Non-Sparse	4	4	4	4	3

12.6 Sparse authorities reported the highest proportion of income to expenditure. Employee costs as a proportion of expenditure were relatively similar across groups. Less sparse and non-sparse authorities reported the highest proportion of agency costs, at almost double those of



sparse authorities. Non-sparse authorities reported the lowest proportion of transport costs to expenditure, although these were relatively low as a proportion of total expenditure.

- 12.7 Non-sparse authorities reported the highest proportion of out of area placements by far (43% compared to 16% for sparse authorities and 10% for less sparse authorities). This could reflect the larger geographic nature of more rural authorities, with greater capacity for in-house provision.

### Staff data

- 12.8 We asked for details of the numbers of permanent and agency staff. We also asked for details of staff who spent time traveling. The results are shown in the following table.

**Table 12.2 – Children’s Social Care – staff data**

Category	Agency Staff (%)	Travelling FTE as a Proportion of Total FTE	Proportion of Time Spent Travelling	Average Value of Travel Claim
Sparse	9.6%	78%	38%	£1,333
Less Sparse	11.2%	41%	28%	£2,687
Non-Sparse	5.4%	85%	58%	£440
<b>Responses</b>				
Sparse	6	6	3	6
Less Sparse	5	5	3	3
Non-Sparse	3	3	3	1

- 12.9 Although non-sparse authorities had a significantly higher proportion of staff time spent travelling (possibly linked to greater numbers of out of area placements), travel claims were highest for less sparse authorities).
- 12.10 The survey requested details of visits per annum for each travelling FTE and downtime. These are shown in the following table.

**Table 12.3 – Visits and downtime**

Category	Visits p/a	Downtime (Minutes)	Urban - downtime	Town & Fringe - downtime	Village & Dispersed - downtime
Sparse	550	60			
Less Sparse	295	55	60	60	90
Non-Sparse	347	40	38	75	75
<b>Responses</b>					
Sparse	2	2	-	-	-
Less Sparse	2	2	1	1	1

Category	Visits p/a	Downtime (Minutes)	Urban - downtime	Town & Fringe - downtime	Village & Dispersed - downtime
Non-Sparse	3	3	2	1	1

- 12.11 Downtime in urban areas was identified as being significantly less than in non-urban areas.
- 12.12 By requesting the total amount of time an officer spends travelling on average, salary costs, the amount of downtime and the total number of visits per year, we calculated the notional cost of downtime. The result is shown in the following table.

**Table 12.4 Children's Social Care – cost of downtime**

Category	Notional Cost of Downtime Per Officer £
Sparse	13,932
Less Sparse	8,130
Non Sparse	5,866
<b>Responses</b>	
Sparse	1
Less Sparse	1
Non Sparse	3

- 12.13 The table shows that the sparse authority had the highest cost of downtime at £13,932; however, this should be caveated as only one sparse and one less sparse authority provided data for this question.

### Costs of Placements

- 12.14 The survey asked authorities for details of payments to foster carers and adopters and these costs were adjusted by the Children's Social Services ACA.

**Table 12.6 Payments to foster carers and adopters**

Category	Average payment per child per week paid to foster carers/agencies	Average payment per child per week paid to adopters
Sparse	465	128
Less Sparse	541	133
Non-Sparse	387	120
<b>Responses</b>		
Sparse	6	6

Category	Average payment per child per week paid to foster carers/agencies	Average payment per child per week paid to adopters
Less Sparse	6	6
Non-Sparse	3	3

- 12.15 Payments to foster carers/agencies for the non-sparse authorities were below those for sparse and less-sparse authorities. Payments to adopters were relatively similar.
- 12.16 Authorities were asked if there are additional premia paid for foster and adoption; however, these were related to the additional needs of individual children, rather than geographical factors.

### Conclusion

- 12.17 The main difference identified between authorities of differing rurality in relation to children's social care was that non-sparse authorities reported by far the highest proportion of out of area placements (43% compared to 16% for sparse authorities and 10% for less sparse authorities). This could reflect the larger geographic nature of more rural authorities, with greater capacity for in-house provision.