



Ministry of Housing, Communities and Local Government

2 Marsham Street,

London

SW1P 4DF

15<sup>th</sup> November 2024

Dear Rt Hon Jim McMahon MP

We are writing to you as the Rural Services Network, a national group representing rural service providers and local authorities in rural communities to urge you to ensure that rural local authorities receive a fair allocation of funding in the Local Government Finance Settlement.

We are proud to represent our rural areas and have been working to deliver services that meet the needs of our rural communities. You will note the strength of feeling on this issue from the 57 rural local authorities that have co-signed this letter.

However, rural councils have been underfunded for a number of years which means that we have to make difficult choices about the services that we provide.

The 2024-2025 Local Government Finance Settlement meant that urban councils received 36% per head in Government Funded Spending Power more than rural councils. Over the years, rural councils have had to increase council tax to balance the books, resulting in council tax in rural areas now being on average 20% higher per head than in urban areas. For rural residents, where average wages earned in the rural economy are lower than the national average, and the cost-of-living is higher. This creates a challenging situation.

We welcome the move towards multi year funding settlements and an end to competitive bidding for funds, but we are keen to ensure that rural local authorities are not disadvantaged by this approach. Measures and metrics used to assess need must take into account in full the additional costs of delivering services to rural residents (these are far more than travel related costs). The growing ageing population in our rural communities places additional demands on services which also needs to be taken into account.

We would welcome a conversation with you to ensure that this Government is taking into consideration the needs of all areas of the country, including our rural communities ahead of the Provisional Local Government Finance Settlement, and as part of future reviews of that process.

**Fairer Funding for Rural Communities**

Rural Services Network

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Yours sincerely

*KBooth*

Chief Executive, Rural Services Network



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**North  
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