

RURAL FAIR FUNDING CHAPTER

RURAL
PLANNING



RURAL
ECONOMIES



RURAL
TRANSPORT



RURAL
AFFORDABLE
HOUSING



FAIR
FUNDING

Delivering for Rural

Unlocking Rural Prosperity



RURAL
NET ZERO

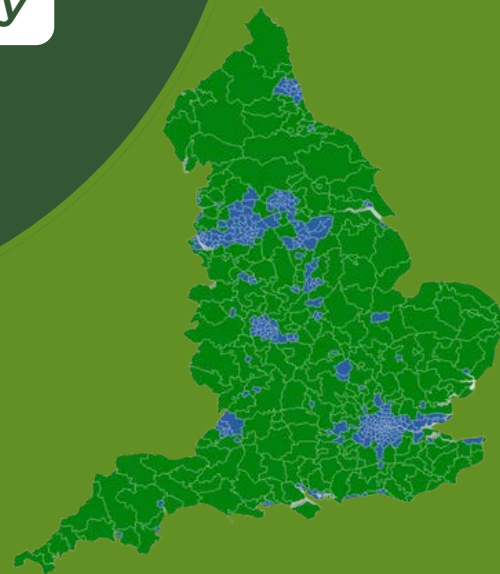
RURAL
HEALTH &
CARE



RURAL
CONNECTIVITY



RURAL
SERVICES
NETWORK





Rural Fair Funding




**RURAL
SERVICES
NETWORK**



Delivering
for Rural


Unlocking Rural Prosperity

40% of Constituencies are Rural. Rural Fair Funding Matters.





Amid reduced public spending, fair resource allocation across regions is crucial. Despite a population larger than Greater London, rural areas receive significantly less funding for essential services, even though delivering these services in rural locales is costlier. This funding disparity affects various sectors including local government, healthcare, and emergency services, leaving rural communities and businesses under served.

Successive governments have underfunded rural councils, leaving rural residents at a disadvantage. Based on the Final Local Government Finance Settlement for 2024/25 Urban residents receive 36% (£141.71) more in Government Funded Spending Power per head compared to rural residents. Rural voters will also pay, on average, 20% (£112.33) more per head in Council Tax because their local council gets less government grant. This inequity, coupled with the higher costs of servicing widespread rural areas, demands fair funding to ensure sustainable communities, especially under the current cost-of-living crisis.



For decades, rural public services have been underfunded compared to urban areas. Quality, accessible, and affordable public services are key to economic and social well-being. Equitable investment is essential; without it, rural areas risk falling behind, missing out on the benefits of major infrastructure investments.



Sustainable rural communities hinge on accessible healthcare, local schooling, affordable housing for key workers, and efficient public service delivery. It's crucial that residents' life prospects aren't compromised by their rural locality. Ensuring this balance is fundamental for the holistic development and resilience of rural communities.



www.rsnonline.org.uk

THE NATIONAL POLICY CONTEXT



SPECIFIC POLICY ASKS IN THE ROADMAP TO RURAL SUCCESS: RURAL FAIR FUNDING



Calls for the first 18 months of the new Government

DELIVER

Deliver fairer funding by applying in full (without damping) the effects of the changes made (but not fully implemented) to the Needs Assessment component of the funding formula in 2013 and increase the exemplified benefits to rural councils to reflect inflation in the intervening years.

PROTECT

Protect rural council taxpayers by fairly funding public services to ensure they are not asked to pay more to fund local services than their urban counterparts.

ENSURE

Ensure funding for the Social Care Reform proposals uses a formula which recognises the whole range of costs faced by rural councils and care providers.

This includes financially addressing the current backlog in assessments etc.

Calls for the first 3 years of the new Government

ADDRESS

Address fairer funding through the completion of the Needs and Resources Review for Local Government Funding in the first 12 months of the next Spending Review period and fully implement the changes in 2026/27. Also maintain the Rural Services Delivery Grant.

DEVELOP

Develop the mechanism for a successful Rural England Prosperity Fund and continue this dedicated fund.

CREATE

Create public funding formulae which ensure the unique service needs, delivery constraints and the whole range of extra costs of delivering services in rural areas (and not just travel costs) are properly reflected.

SUPPORT FOR THE ABOVE CALLS

PUBLIC SECTOR FUNDING

Public services should be fairly funded to ensure that additional costs of delivering rural services are recognised and adequately funded to ensure that rural areas are not left behind in levelling up England.

RECOGNISING RURAL NEED

Government should take full account of the needs of rural areas, their economies, and their communities and that the impacts of any measures flowing from it are both proportionate to rural areas and properly rural proofed.

PUBLIC AND MENTAL HEALTH SERVICES

In the light of recent experience, Government should give more prominence to public health and mental health services. Both need better resourcing to become more accessible in rural areas. Historic funding allocations for public health cannot be justified and need an urgent overhaul to even out provision. Good practice in rural provision of mental health services needs active promotion and encouragement. Large disparities in numbers of mental health professionals working in rural and urban areas need resolving.

SOCIAL CARE PROVISION

Government should implement the findings of its Fair Funding Review to help level-up the provision of social care services in rural areas, taking full account of their delivery cost in more sparsely populated areas. This would also enable improved or more consistent engagement with and commissioning of 'low level' support services for vulnerable rural residents, which are typically delivered locally by voluntary and community sector organisations.

RURAL SCHOOLS

The revised National Funding Formula helps to compensate many rural schools for the relatively high underlying running costs (per pupil) that small schools inevitably face. It should, however, be set to allow for more than minimum staffing levels. A share of the capital funding pot for school modernisation and maintenance projects should be set aside for small schools. They often lose out, with capital spending focused on larger projects at urban schools. Government should support and offer some funding to help collaboration or clustering between small rural schools, so they benefit from shared resources and expertise.





RURAL FAIR FUNDING

In striving for balanced national development, the Rural Services Network highlights the urgent need for fair resource distribution and tailored policies for rural areas. This approach aims to harness rural strengths, ensuring these regions are pivotal in national initiatives like leveling up and achieving net-zero emissions. Amidst recent challenges, the focus on equitable support and strategic policy adaptation is crucial for unlocking rural potential and fostering a resilient, thriving national landscape.



FAIR RESOURCE ALLOCATION FOR RURAL AREAS

The Rural Services Network advocates for equitable distribution of national resources to rural areas, ensuring they receive their fair share of investment and services. While acknowledging the government's financial constraints, the focus is on redistributing national resources more fairly, with special consideration for rural nuances, particularly in sectors like social care which have pronounced rural implications.



CAPITALISING ON GOVERNMENT COMMITMENTS

Rural areas should benefit significantly from government commitments to "level-up" the nation, ensuring no region is left behind. This includes aligning with the UK's goal to achieve net-zero greenhouse gas emissions by 2050 and the 2019 commitment to articulate a clear vision for rural England. This vision should outline desired outcomes, policy rationale, cost-benefit analyses, and a realistic delivery plan, including timelines.



ADDRESSING PANDEMIC-INDUCED CHALLENGES AND OPPORTUNITIES

The pandemic has both highlighted and intensified various rural vulnerabilities but also revealed strengths and opportunities. The national recovery strategy must support rural areas equitably, ensuring that the post-pandemic recovery is not only fair but also capitalizes on rural areas' potential to significantly contribute to national growth and revitalisation.



FURTHER READING & USEFUL LINKS



Rural Services Network Fair Funding Campaign.

<https://www.rsnonline.org.uk/page/rural-fair-funding>

State of Rural Services 2021 produced by Rural England CIC.

<https://ruralengland.org/wp-content/uploads/2022/01/state-of-rural-services-2021-report.pdf>

Towards a Greener Green Book process produced by Pragmatix Advisory.

<https://rsnonline.org.uk/images/publications/towards-a-greener-green-book.pdf>

Towards the UK Shared Prosperity Fund produced by Pragmatix Advisory.

<https://rsnonline.org.uk/images/publications/towards-the-uk-shared-prosperity-fund.pdf>

Cultivating Rural Growth produced by Pragmatix Advisory.

<https://rsnonline.org.uk/images/publications/cultivating-rural-growth.pdf>

Rural as a region: the hidden challenge for Levelling Up produced by Pragmatix Advisory.

<https://rsnonline.org.uk/images/publications/rural-as-a-region-the-hidden-challenge-for-levelling-up.pdf>

Rural Cost of Living produced by Kovia Consulting.

<https://rsnonline.org.uk/images/publications/rural-cost-of-living.pdf>

Rural Cost of Living Survey 2023 by Rural Services Network and Citizens Advice Rural Issues Group.

<https://www.rsnonline.org.uk/images/research/Cost-Living/Rural-Cost-Living.pdf>

Find out more about the Delivering for Rural Campaign, click the logos for more details.



Think before you print.

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check our website for the latest version.**



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