



Rural Services Network RMTG Meeting

Kerry Booth, Chief Executive
Rural Services Network

24th March 2025

The background of the slide features several stacks of gold coins. The stacks are arranged in a row, with the tallest stack on the left and the shortest on the right. The coins are highly reflective, showing bright highlights and deep shadows. The background is a soft, out-of-focus light blue and white.

The Rural Services Network is fighting for a fair deal for rural communities, in all public sector funding

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Ministry of Housing, Communities & Local Government

Policy paper
Local government finance policy statement 2025 to 2026
 Published 28 November 2024

Applies to England

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 Local authority funding reform
 Wider reforms to local government
 Public service reform
 Local Government Finance Settlement 2025-26
 Grant consolidation and funding allocation

Introduction

From tackling homelessness to delivering social care, from bin collection to driving local economic growth, good local government is the foundation of a good state – working in genuine partnership with central government to deliver better outcomes for the public. We need local government to help us deliver 1.5 million homes, including a new generation of secure, social and affordable homes; an NHS and social care system that's back on its feet; the sustained economic growth we need to raise living standards; and the strong communities on which good lives are built.

Local Government Finance Policy Statement published 28 Nov

Local Government Finance Settlement
 Statement made on 18 December 2024

Statement UIN HCWS342

Statement made by

 **Jim McMahon**
 Minister of State for Local Government and English Devolution
 Labour
 Oldham West, Chadderton and Royton 


Statement from

Ministry of Housing, Communities and Local Government 

Local Government Finance 18th Dec Consultation launched 2025-2026

Open consultation
Local authority funding reform: objectives and principles

From: [Ministry of Housing, Communities and Local Government](#)
 Published 18 December 2024

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Applies to England

Summary

A consultation on updating how local authorities are funded through the local government finance settlement.

This consultation closes at **11:59pm on 12 February 2025**

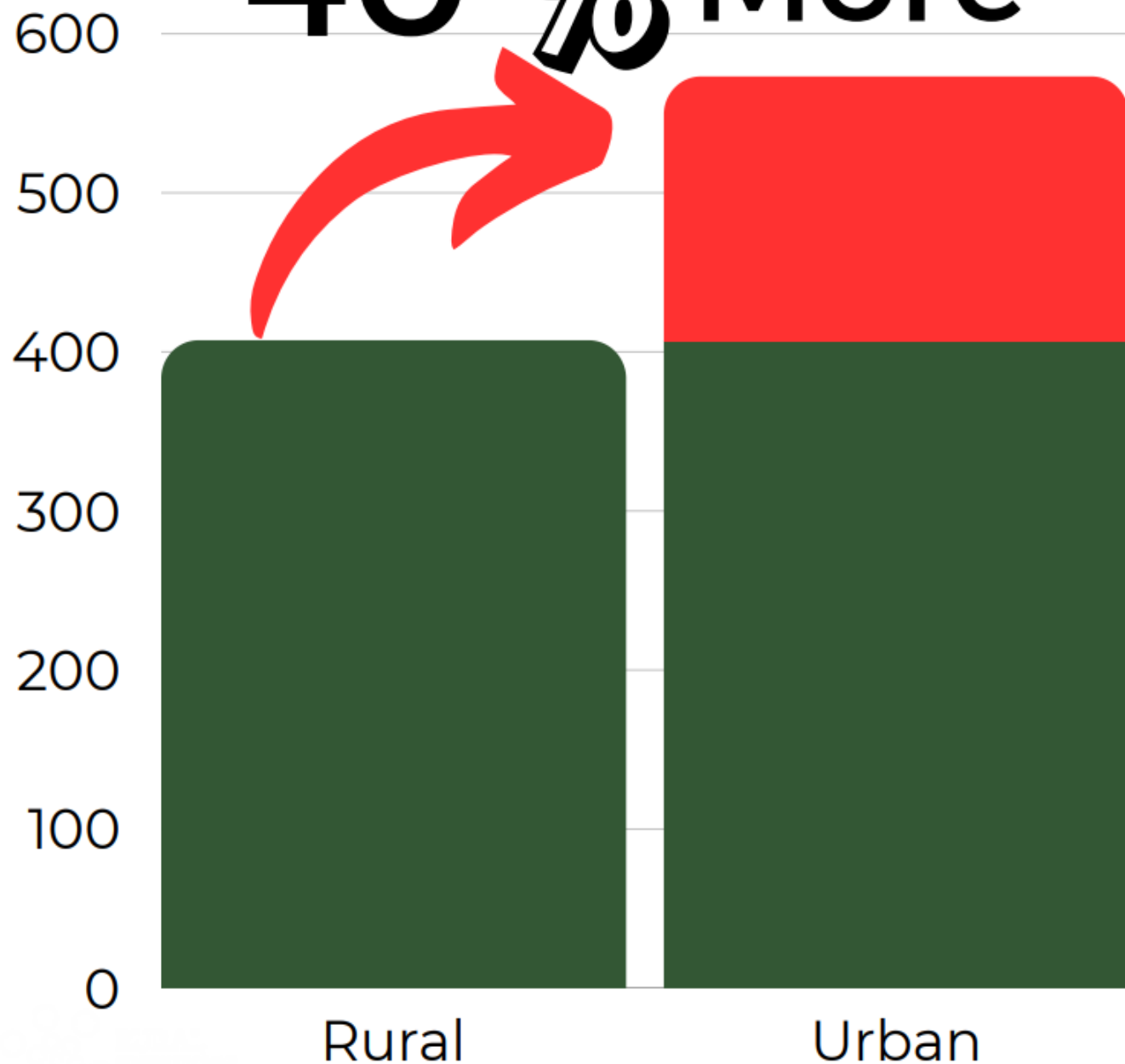
Local Authority Funding reform consultation 2026 onwards



Local Government Finance 18th Dec Consultation launched

- Repurposing of Rural Services Delivery Grant
- Recovery Grant – targeted at places with greater need and demand for services “(we have used deprivation as a proxy for this)”

40% More



**Government Funded
Spending Power in urban
Councils is 40% MORE
per head than in
predominantly Rural
Councils for 25-26**

Council Tax Bill

Annual Bill 2020/21



Rural Residents
pay **20% more**
in Council tax
per head
compared to
Urban Residents

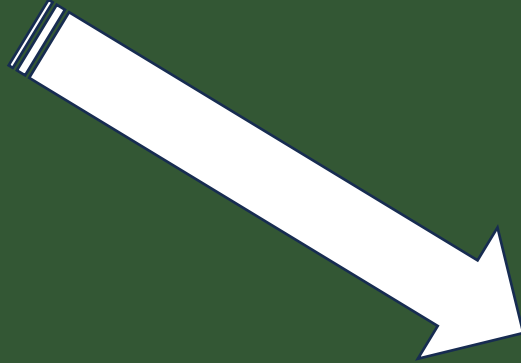
Why is this important for Town Councils?



Urban authorities in 2024/2025 budgeted to spend just over **double** that of rural authorities on discretionary services



Wider implication:



Transferring /devolving services to
Town and Parish councils

RSN approach – what have we been doing?

- Sent joint open letter from Sparse authorities to Jim McMahon
- Met with MHCLG and DEFRA day after Policy Statement
- Hosted meeting for Finance representatives in early December to talk about impact on rural councils
- Met with CCN and DCN to discuss response
- Commissioned rural specific analysis from our finance experts
- Coordinated response to 25-26 consultation with Sparse member authorities
- Sent Sparse Member authority individual briefings from finance expert
- Coordinated response to longer term funding reform consultation

Parliamentarians



appg

Rural Services

- Held APPG meeting in January
- APPG Chair wrote to Minister on behalf of APPG about funding settlement
- Sent briefing to all APPG members
- Sent individual financial analysis to all rural MP who have Sparse member authority in their area
- Sent information to DEFRA Civil Servants



Apparent Government assumptions:

Rural Councils are affluent and just increasing reserves

Deprivation is a proxy for demand on services (and is found in urban areas)

Density makes services more expensive to deliver, services in rural areas do not cost more to deliver



RURAL
PLANNING



RURAL
ECONOMIES



RURAL
TRANSPORT



RURAL
CONNECTIVITY



RURAL
AFFORDABLE
HOUSING

FAIR
FUNDING

Delivering for Rural

Unlocking Rural Prosperity



RURAL
NET ZERO

RURAL
HEALTH &
CARE



Campaigning for a fair deal for rural communities

Fair Rural Funding

 Almost 10 million people live in rural England...
...that is **MORE THAN** the whole of **GREATER LONDON**



 Urban voters receive 36% more per head in government funding

 Rural voters pay 20% more in Council Tax per head

Find out more [here](#)

Access to Health & Care

 74% of 65+ year olds voted in the General Election (2019)

Over 30% of rural voters are 65+



 Urban Councils receive 57.5% more per head to spend on public health

 Rural voters can wait 3 times longer for an ambulance

Find out more [here](#)

Rural Transport

 Improved public transport is better for the environment...
...reduces issues of social isolation
...provides access to training, skills and employment




 Urban councils budget to spend 3.5 times more than rural on public transport


 Rural voters have fewer transport options and are reliant on private vehicles which can be expensive to run


Find out more [here](#)

Rural Connectivity

 Unlocking the digital potential of rural areas could add up to £26bn annually to the UK economy...
...growing turnover for rural businesses by £15bn each year



 Only 47% of rural voters have Gigabit capability

 49% of rural voters do not get 4G mobile coverage on all networks indoors

Find out more [here](#)

Rural Economy

 There are over half a million rural businesses in England...
...that is 23% of all registered businesses



 Productivity and GVA in rural areas is lower than urban

 Rural voters earn £1,600 less a year

Find out more [here](#)

Affordable Rural Housing

 Ten new affordable rural homes create an economic boost of £1.4m GVA...
...and yet they only cost £1.1m to build





 The rural fuel poverty gap is nearly double the national average


 Houses in rural areas are less affordable to purchase for those in the bottom 25% of earners compared to urban


Find out more [here](#)

Rural Net Zero

 Rural households emissions are 19% higher than urban...
...yet rural areas have the resources to contribute to Net Zero



 25% of rural homes are not connected to the gas network

 Rural voters are more reliant on costly fossil fuels

Find out more [here](#)

Rural Planning

 Over 600 Neighbourhood Plans have been made in rural communities showing how voters want to influence how their local area is developed



 There are almost 100,000 second homes in rural areas

 Most rural developments are too small to include affordable homes

Find out more [here](#)