



# Local Government Finance Settlement

**Kerry Booth,  
Chief Executive**

**Rural Services Network**





**We are a membership body with over 500 organisations all with an interest in delivering services in rural areas**

APSE(Asn Public Service Excellence)

GAS  
BASC (British Assn for Shooting & Conservation)

ers  
CAfs (Cumbria Action for Sustainability)

Arqiva

bipolarUK  
SUPPORTING PEOPLE AFFECTED BY BIPOLAR  
Bipolar UK

CALOR  
Calor Ltd

# A national voice campaigning for rural issues

## Fairer Funding

The RSN is fighting for a fair deal for rural communities in order to maintain their social and economic viability for the benefit of the nation as a whole.





# Winter 2023/2024

## Key Dates

29 <sup>th</sup> November 2023	Westminster Hall Debate on Rural Council Funding
18 <sup>th</sup> December 2023	Provisional Settlement for Local Government Finance Announced
15 <sup>th</sup> January 2024 11.59pm	Closing date for consultation
5 <sup>th</sup> Feb 2024	Final Settlement announced

RSN campaigned throughout this time:

- Provided draft responses to the consultation to local authorities
- Provided briefings to MPs ahead of the provisional Settlement
- Provided targeted briefings to MPs during the consultation period of the impact in their constituency
- Responded on behalf of rural areas to consultation



36%

# **Urban areas will receive 36% more in Government Funded Spending Power per head than Rural in 2024-2025**

Urban local authorities will receive some 36% (£141.71) MORE in Government Funded Spending Power per head compared to rural authorities in 2024 /2025



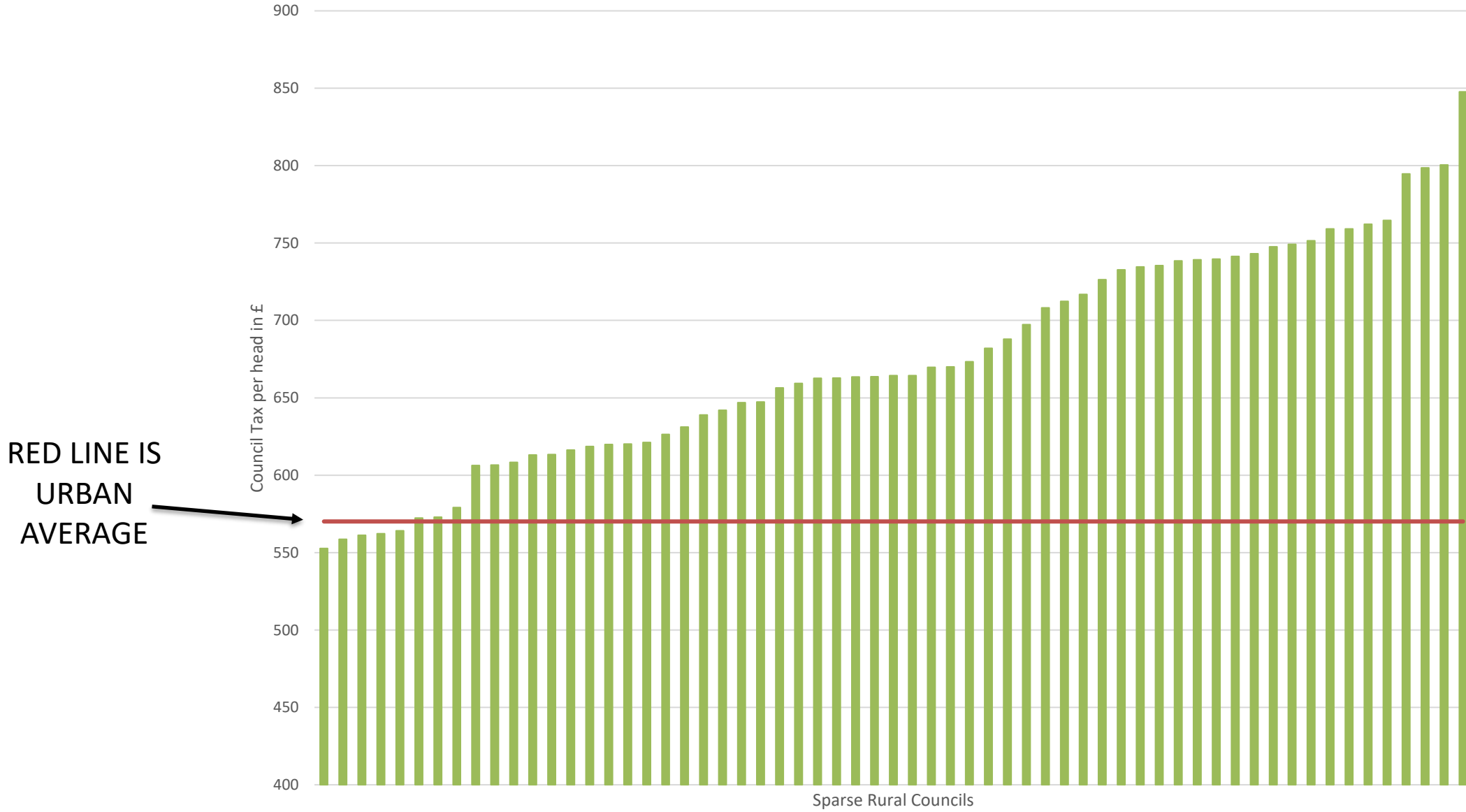


**20%**

**Rural Residents will pay on average 20% more per head in Council Tax**

Rural residents will pay, on average, 20% (£112.33) MORE per head in Council Tax than their urban counterparts due to receiving less government grant in 2024/2025

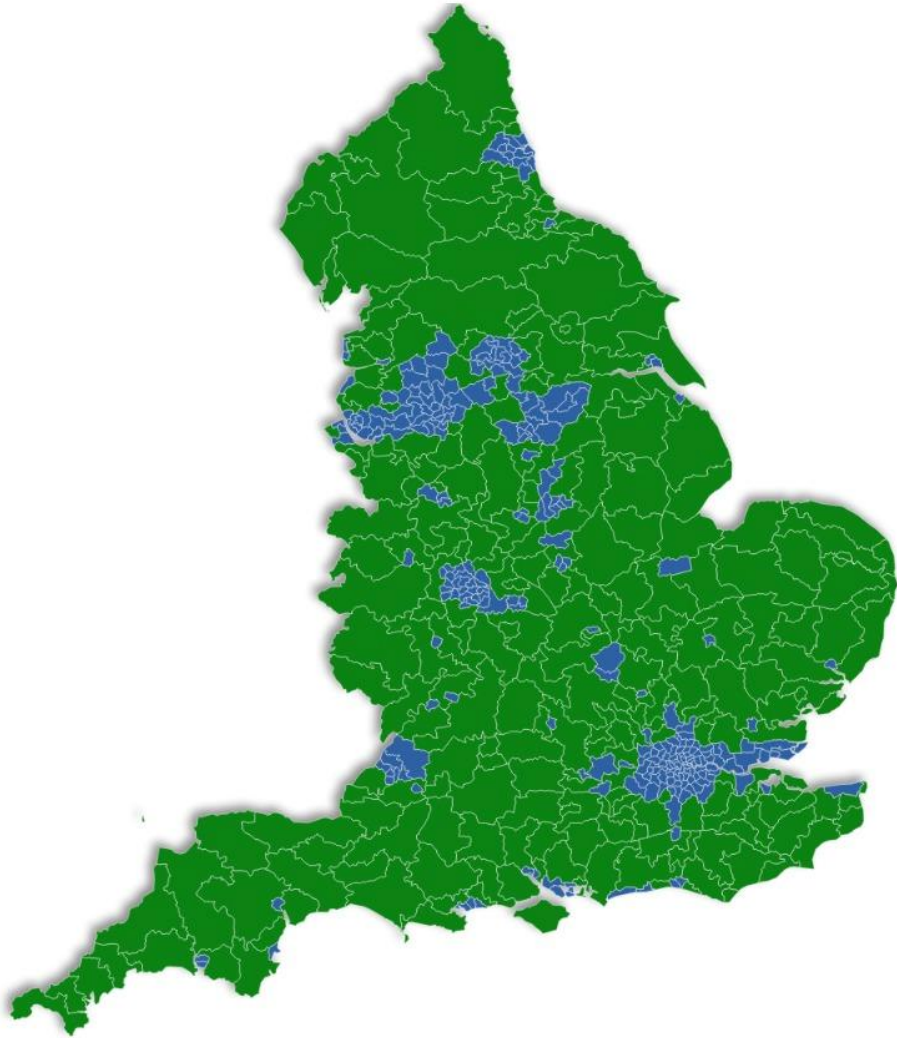
Chart to show Council tax levels of Sparse rural members compared to Urban average for 2024-2025



## English Constituencies

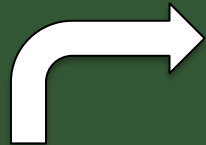


Rural Urban



Source: Office for National Statistics (Boundaries)

Maps on the left shows rural vs urban constituencies



Maps on the right shows top 30% of areas with the highest council tax

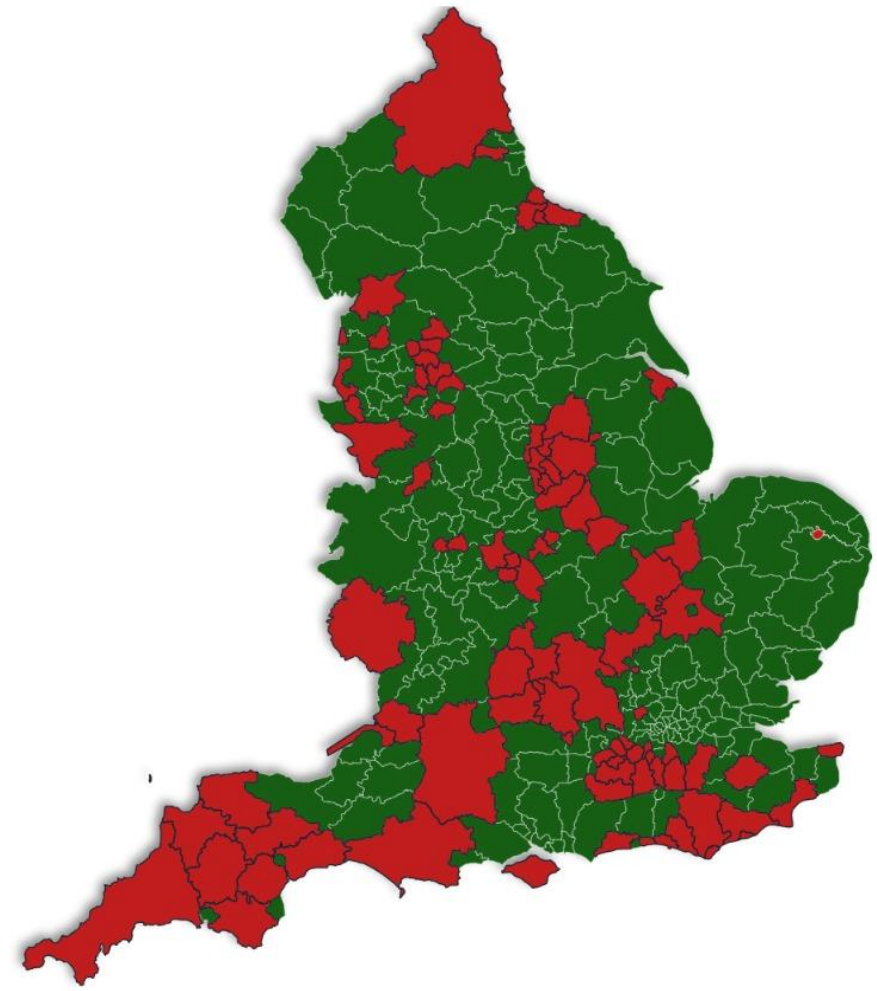
## Area Council Tax Rates - Band D

For a dwelling occupied by 2 Adults

2024 -2025



Top 30% of areas with the highest council tax rates



Source: Office for National Statistics (Boundaries)



Campaigning for a fair deal for rural communities



# Discretionary Services

Urban budget to spend double that of rural on discretionary services

Rural Discretionary Spend





**Urban authorities  
budgeted to spend  
3.5 that of rural  
councils on public  
transport**

# What we wanted

- 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.
- 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.



# What have you achieved?

Almost £800 Million  
has been distributed  
through Rural Services  
Delivery Grant since  
its inception

Statement made



M

tion of the  
sparse population  
This is an increase  
is the target cash increase  
the successful successive year of above-

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House of Lords

Thursday 21 March 2024 Meeting started at 11.05am, ended 4.41pm



Of course, any increase is welcome, but, as the Rural Services Network has pointed out, the extra money will go to only a limited number of rural councils—only the top quartile—based on a “super sparsity” measure. Very many will get no extra funding.

Even with this small amount of extra cash for a few councils, huge rural/urban disparities will remain. The RSN analysis for 2024-25 shows just how stark it will be. Urban local authorities will receive some 36%—£141—more in government-funded spending power per head compared to rural authorities. Rural residents will pay, on average, 20%—£112—more per head in council tax than their urban counterparts because rural councils are still getting less government grant. This simply is not fair. Rural communities continue to be disadvantaged and their residents left behind at a time when the aim is supposed to be levelling up across the country.

Ten years ago, the Government seemed to acknowledge the need to do something about this and changed the funding formula to make it fairer. But, in effect, they then did not use it. They added and froze in place a “damping process”. As a result, there are councils in London receiving millions of pounds more than the Government’s own formula says they should and rural councils getting far less than they should. Of course, I want to see the size of the pot increased, but, whatever its size, it should be allocated fairly. Does the Minister accept that it is not being, that rural communities are losing out and that the damping process should be phased out? All councils are getting a poor deal from this Government, and rural councils are getting the worst deal of all.



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 highlights and shadows that give them a three-dimensional appearance. The background is a soft, out-of-focus light color, making the coins stand out.

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



# Poll results to questions posed at seminar

