RSN MEMBER BRIEFING

Rural services cost more to deliver. Our case needs your evidence.

Independent research commissioned by RSN tested whether the new funding formula accounts for the cost of delivering services in rural areas. It found that some rural costs are real, measurable and still under-recognised. We're asking member councils to share costed examples from their own services to help build the evidence for change.

What the research found

- **Distance.** Staff travel was raised by **74% of rural councils that responded**, and by none of the urban councils. In one council, reablement workers complete **30% fewer visits per shift** in the most rural area. The formula gives accessibility only a small weight.
- **Networks.** Rural councils spend **47% more per head** on highways and transport, **3.4 times as much** on winter service and **2.4 times as much** supporting buses. Rural minor roads are still in worse condition.
- **Thin markets.** Fewer providers mean less choice. One rural council pays **£4.25 an hour above its regional average** for home care, around **£2.6m a year**. At another, **17% of passenger transport contracts** over five years attracted one bid or none.
- **Consistency.** The formula recognises remoteness in adult social care. Children's social care involves home visits across the same geography and has no equivalent remoteness adjustment.
- **Costs national data cannot see.** National spending returns do not separately identify costs such as face-to-face delivery, workforce supply and transport for children with special educational needs or in care.

Why it matters

Between 2024/25 and 2028/29, **government-funded spending power** is set to grow by **20% in urban areas and 2% in rural areas**. Rural residents already pay around **17% more per head in council tax**.

What we're asking MHCLG to do

Apply the remoteness adjustment to children's social care. Review the accessibility weighting, starting with waste. Recognise thin markets as a distinct cost driver and support joint procurement and market shaping. Set up a joint evidence programme with RSN. These are targeted changes to the funding formula.

How your council can help

1 – Quantify your costs

Put a figure on the extra cost of delivering services in rural areas, in pounds, per head or as a share of the budget, and show the working.

2 – Join a focused test

Volunteer for the waste fleet-data pilot of four to six councils and share provider rates and single-bid contract data for the thin markets indicator.

3 – Commit to an annual return

Complete a shorter data collection each year on the same definitions, so results can be compared over time and used to propose new Revenue Outturn lines.

4 – Use the evidence correctly

Quote figures exactly as published, do not claim every service costs more in rural areas, focus on the areas where evidence is emerging and there is quantification of increased costs.