



RURAL
SERVICES
NETWORK

Rural Fair Funding

National Rural Conference
September 2025



The RSN
campaigns for a
fairer funding deal
for rural local
authorities



Rural Fair Funding



RSN was formed over 20 years ago by rural councils coming together to make a case for a fairer funding allocation

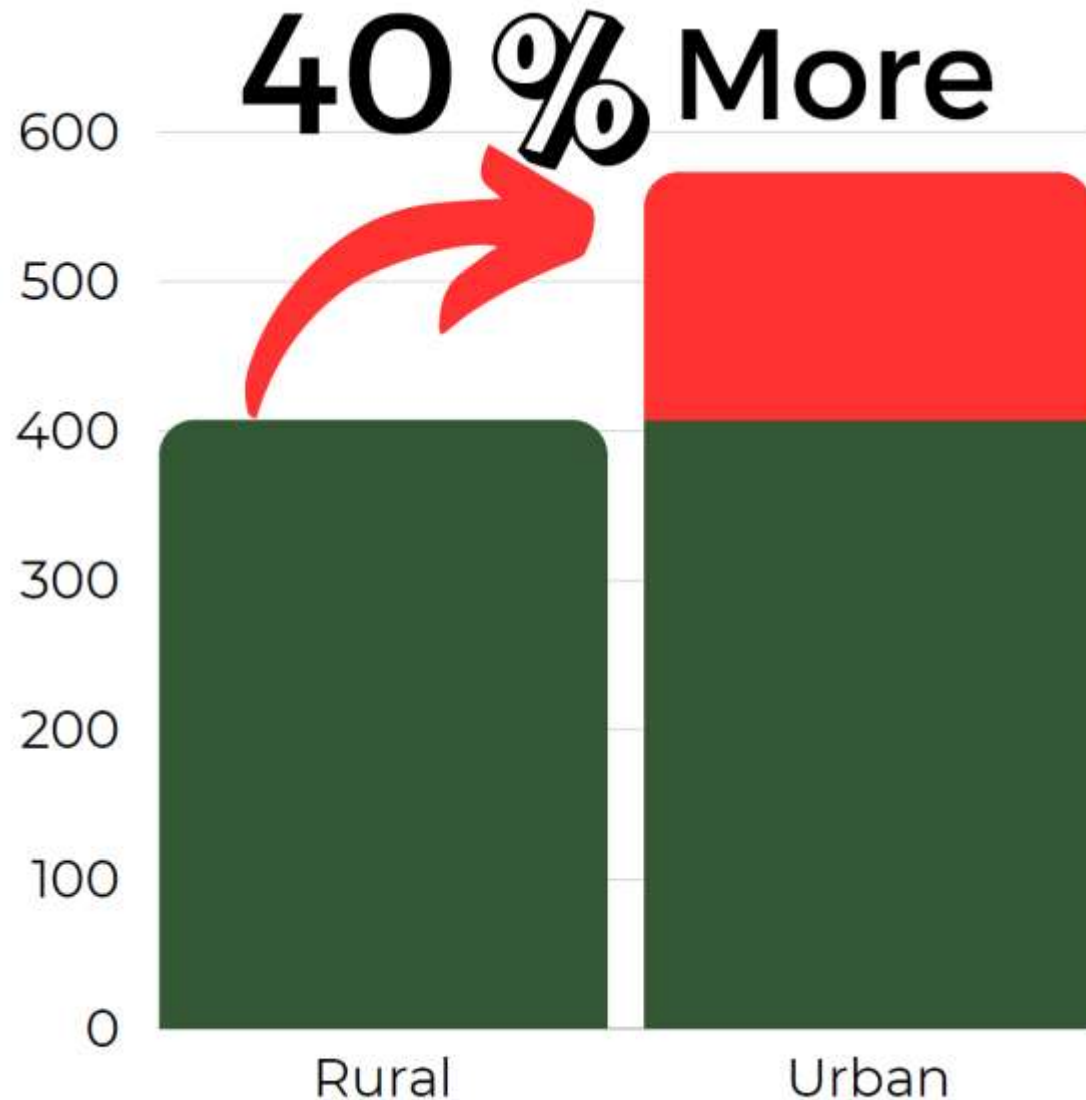
We have campaigned tirelessly over the years, leading to changes in the Local Government Funding Formula to the benefit of rural councils.

Unfortunately rural councils did not feel the full benefit of these changes due to the damping process not allowing the changes in funds to flow towards those councils

Our work led to the creation of ESSSA which became the Rural Services Delivery Grant, which increased significantly over the years to reach £110 Million prior to being scrapped for 2025-2026 by the current Government.

We continue to press the case for rural fair funding.

Rural councils receive less from Government



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

Rural residents pay more in Council Tax



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



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Consultation outcome

Local authority funding reform: objectives and principles


From: [Ministry of Housing, Communities and Local Government](#)
Published 18 December 2024
Last updated 20 June 2025 — [See all updates](#)

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Applies to England

This consultation has concluded

Read the full outcome

 [Local authority funding reform objectives and principles consultation: summary of responses](#)
HTML

Detail of outcome

The Ministry of Housing, Communities and Local Government published the [local authority funding reform: objectives and principles consultation](#) on 18 December 2024. The consultation closed on 12 February 2025.

Local Government Finance Policy Statement published 28th November 2024
This included the scrapping of the Rural Services Delivery Grant.

The RSN met with key civil servants from DEFRA and MHCLG that day to explore the implications for rural areas

Local Authority Funding Reform: Objectives and Principles Consultation launched 18th December 2024 alongside Local Government Provisional Finance Settlement for 25-26

We engaged with our membership, and provided Sparse Councils with a draft response to both consultations that they could use for their own response

RSN submitted a rural response to both of these consultations on behalf of our member organisations.

Consultations – Fair Funding 2.0



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Closed consultation

The Fair Funding Review 2.0

From: [Ministry of Housing, Communities and Local Government](#)

Published 20 June 2025

Last updated 23 June 2025 — [See all updates](#)

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Applies to England

We are analysing your feedback

Visit this page again soon to download the outcome to this public feedback.

Summary

A consultation on the government's proposed approach to local authority funding reform through the Local Government Finance Settlement from 2026-27.

This consultation ran from
11:40am on 20 June 2025 to 11:59pm on 15 August 2025

This promised:

- An overhaul of the outdated and complex council systems will bring fairer funding, more stability and improve lives of people across the country
- New place based, focussed formulas to target money to places most in need, replacing decade old data and outdated funding system
- Streamlined funding and multi-year settlements introduced in drive for council efficiency and improved public services as part of the Plan for change

Consultations – Fair Funding 2.0



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Closed consultation

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Summary

A consultation on the government's proposed approach to local authority funding reform through the Local Government Finance Settlement from 2026-27.

This consultation ran from 11:40am on 20 June 2025 to 11:59pm on 15 August 2025

The RSN has responded to the consultation following engagement across our membership.

We provided a draft response directly to Local Authority Finance Teams to use as the basis for their own response.

We met with many of our member authorities face to face at the LGA Conference in Liverpool to discuss the consultation and the implications for rural areas



But what happens now?



Key Points to Consider



The RSN believes that:

- Deprivation is not the only driver of demands on services – other factors such as an ageing population
- Delivering services in rural areas costs more to deliver
- There is a need for additional ‘service centres’ such as one stop shops, or waste and recycling centres, that don’t serve as many people and are therefore not as cost effective, but are required so that residents can access services.
- Rural Councils spend less on discretionary services such as transport, public toilets, leisure centres as the majority of their funds goes on delivering statutory services.

Fair Funding is central to Delivering for All



Delivering for All

A ROADMAP FOR RURAL PROSPERITY

Every person, in every place, deserves the chance to thrive, including everyone in our rural communities.



Getting the Foundations Right


To deliver change, and strengthen our country, we must ensure that change reaches every community, including those in rural areas.

At the Rural Services Network, we believe that there are three essential elements which are required to achieve meaningful change and ensure that policy for rural communities across England, can be successful and achieve its aims.


1 Rural Fair Funding

Rural Public Services must be fairly funded taking into account the additional cost of service delivery to sparsely populated areas. 

2 Rural Metrics and Measures

We must use the right metrics and insight to understand the policy challenges in rural areas and be able to assess if policy interventions are working 

3 Rural Focused Policy

Policy must be designed to meet rural needs, not a one size fits all approach, but targeted at overcoming barriers that prevent rural from thriving. 

Our rural voice is stronger together



