



Impact of unfair funding on rural councils

**Councillor Roger Phillips, Chair
Rural Services Network
September 2023**

Facts about Rural Funding

1

Successive
Governments have
underfunded Rural
Councils

2

Rural residents pay
more in council tax

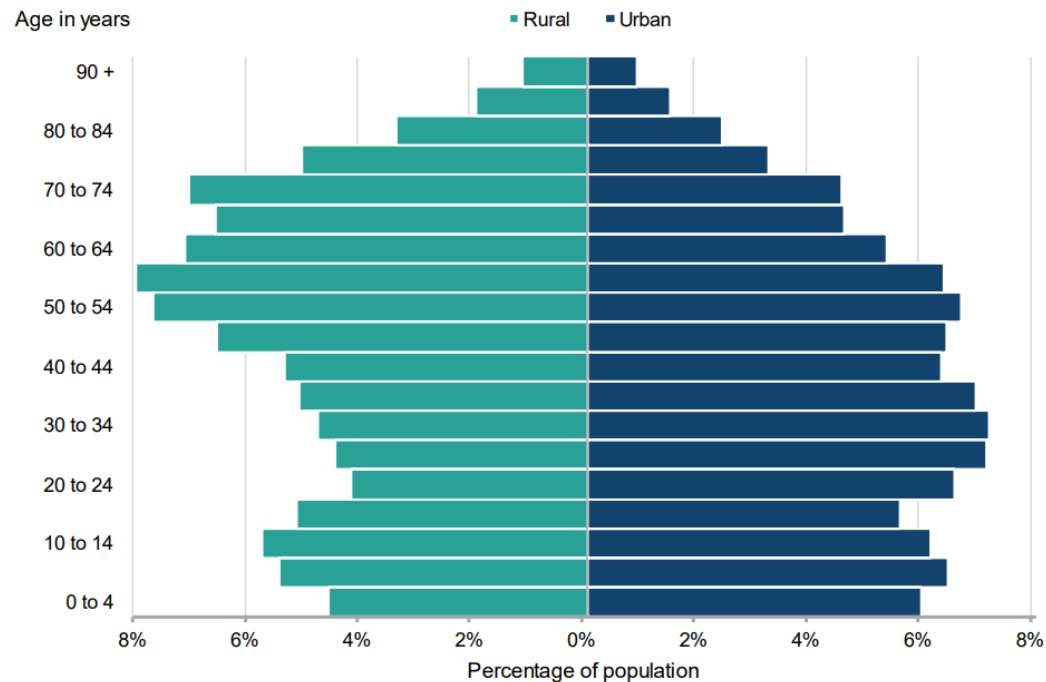
3

It costs more to
deliver services in
rural areas

Demographic challenges for rural areas

Figure B-1: Percentage of population within age bands of 5-year intervals from 0 to 90+, by Rural-Urban Classification in England based on LSOA level data, 2020

The legend is presented in the same order and orientation as the stacks in the bars



Rural areas have a greater proportion of older residents

These residents can place additional demands on services

Social Care Provision

- High costs of providing services in rural areas
- Non Contact time travelling between appointments
- Lack of competitive markets in some areas can increase prices



Youth Services

- Youth Services are in decline as budget pressures increase
- Young people are also disadvantaged by lack of public transport options and difficulties in accessing employment and training and affordable housing.





Highways

Impact on budget of maintaining rural roads and footways is significant

The quality and fabric of some of our rural roads is very poor.

Result of unfair funding...

Rural Councils get less Government Grant than Urban Councils



Statutory Services have to be funded by Councils and those services are also more underfunded in rural areas



The impact is that there are MUCH LESS funds for rural councils to spend on essential but discretionary services



Rural Councils

Urban Councils receive 38% more per head in Government Funded Spending Power



Urban authorities in 2023/2024 budgeted to spend almost **double** that of rural authorities on discretionary services



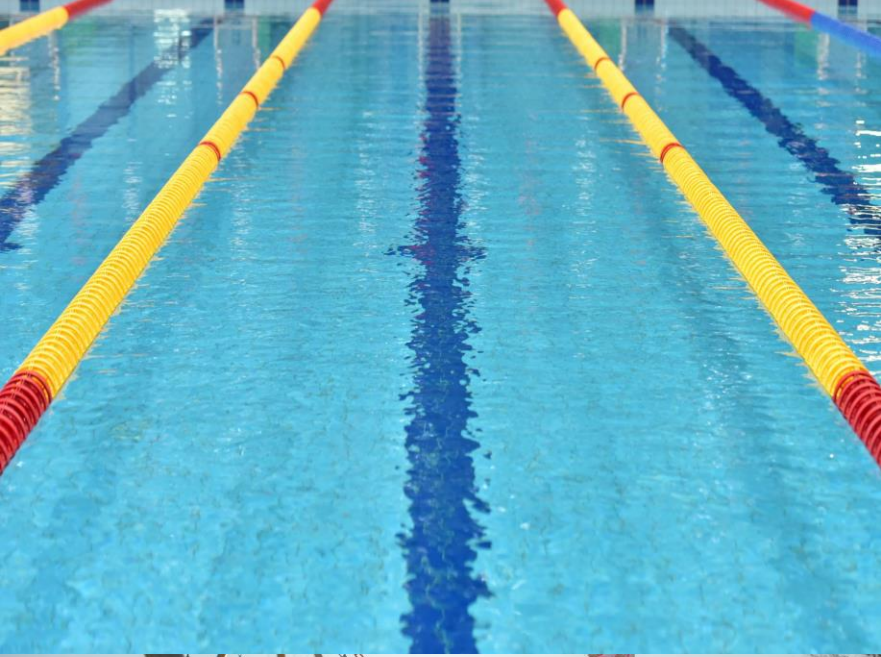
Rural Economy

- Wages earned in the rural economy are lower than national average
- Productivity in rural areas is lower than urban areas (excl London) by **12%**



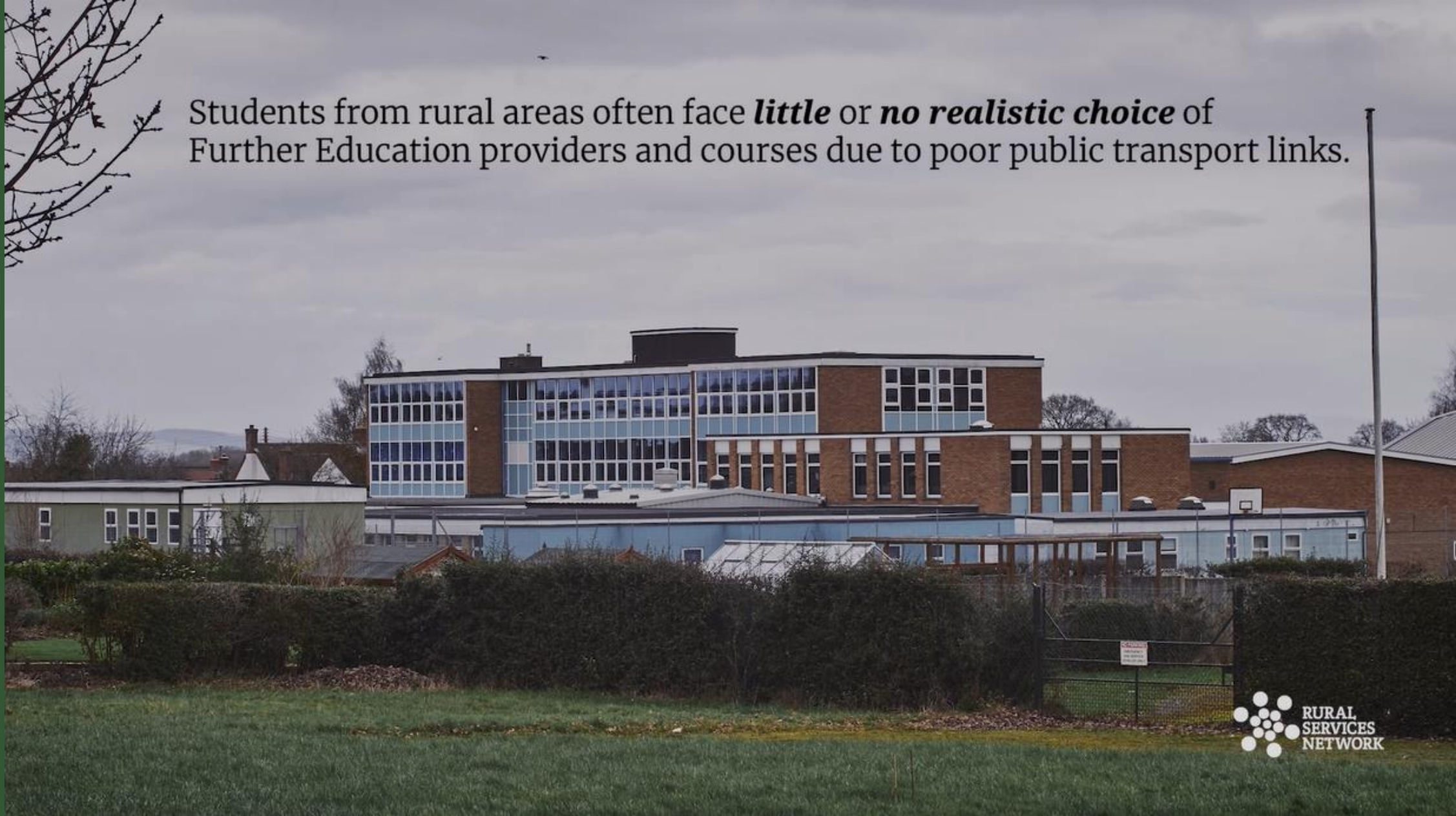
...and yet Urban Authorities budget to spend in 23/24 **49%** more per head on economic and community development

Recreation and Sport Discretionary Spend



Urban shire district
authorities have
budgeted to spend 51%
more than rural shire
districts in 2023/2024

Students from rural areas often face *little* or *no realistic choice* of Further Education providers and courses due to poor public transport links.



Campaigning for a fair deal for rural communities

PUBLIC TRANSPORT

Discretionary Spend Comparison

In **2023/24** planned expenditure on **PUBLIC TRANSPORT** per resident is **OVER 7 X MORE IN** predominantly **URBAN AREAS** (excl. Concessionary fares)



The scarcity of rural transport options strikes at the heart of *rural disadvantage*, impacting people's access to *employment, education* and *training, health* and *vital services*

It is a key driver of *rural isolation* and *loneliness*

RURAL

Shire Counties

URBAN

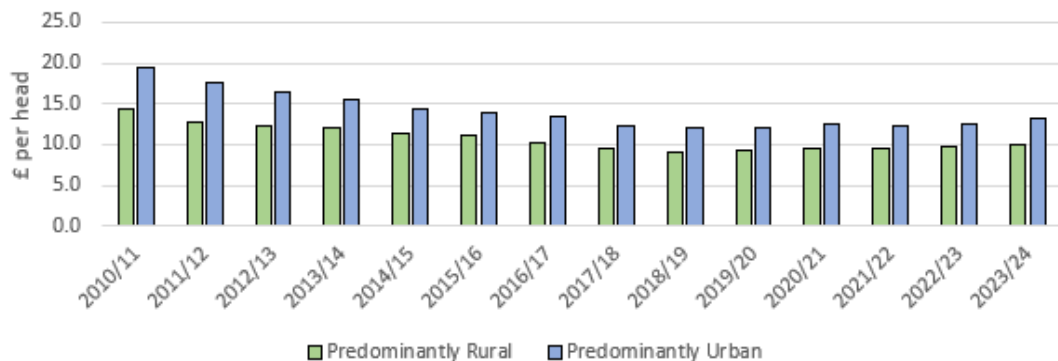
Shire Counties

2023/2024



1/3 more spend

Library service - overall average



	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Pred. Rural	14.4	12.8	12.3	12.0	11.4	11.3	10.2	9.4	9.0	9.2	9.4	9.5	9.7	10.0
Pred. Urban	19.4	17.6	16.5	15.5	14.5	14.0	13.5	12.3	12.1	12.2	12.5	12.3	12.4	13.3



LIBRARY SERVICES

Discretionary Spend Comparison

Again we can see that rural authorities can spend much less per head...



Discretionary spend is also areas such as:

- Community Transport
- Citizens Advice
- Youth Services
- Broadband Champions



Rural Residents:

- **Pay more**
- **Receive fewer services, and**
- **Earn less than those living in urban areas**

The cost of living in rural areas is also higher