

## **A Fair Financial Settlement for Rural Councils for 2024/25**

This motion seeks to align this council with the current campaign by other rural councils, co-ordinated by the Rural Services Network (of which this Council is a member), for a local government finance settlement for 2024/25, which is fair for rural councils.

Since 2013/14 Government has accepted that rural residents receive fewer services and wages earned are less than those in urban areas. The costs of provision of services and cost-of-living are also higher in rural areas than elsewhere in the country. This cost premium for local authority service provision was then assessed at £248m (approx. £340m at 2023 prices).

Rural residents across England are presently disadvantaged by the way that councils are funded by Government. Consequently, residents in Rutland are paying approximately 78% of the council's Core Spending Power through Council Tax this financial year, compared to just 52.57% in urban areas.

In 2016, MP's representing rural constituencies welcomed the establishment by government of the Needs and Resources/ Fair Funding Review. The Review seeks to establish a new funding formula that reflects the acknowledged extra service delivery costs of rural areas, by revising the "density" and "sparsity" indicators that underpin the present funding formula. It should be noted that over the past 10 years, successive constituency MP's have supported the campaign for Fair Funding.

In response to the current campaign, in September 2023, the Department for Levelling Up, Housing and Communities advised that the 2016 review will not be progressed for the 2024/25 financial year, this despite the acknowledged unfairness of rural funding and after 7 years of review.

### **Proposed Resolution**

That Council:

- 1) Endorses the Rural Services Network campaign for a fair financial settlement for rural councils for 2024/25.
- 2) Calls upon government:
  - a) In recognition of the continued failure to conclude the 2016 review, to fund rural authorities in 2024/25 based upon their full formula allocations, a benefit that has been denied for nine years.
  - b) That this funding be based upon the £248m, adjusted for inflation, that the government identified in 2013/14 as being reflective of the increased cost of rural service provision.
  - c) To commit to concluding the Needs and Resources Review in the first 12 months of the next Spending Review period, with a view to implementation in 2026/27.

- 3) Requests that the Leader of the Council write to our Member of Parliament to convey these messages to government