

13 December 2023
(By Email)

Alicia Kearns MP
House of Commons
London
SW1A 0AA

Dear Alicia,

I am writing to set out the concerns of Rutland County Council with regard to funding for rural local authorities.

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).

In 2016, Members of Parliament representing rural constituencies welcomed the establishment by government of the Needs and Resources / Fair Funding Review. The Review sought to establish a new funding formula that reflected the acknowledged extra service delivery costs of rural areas, by revising the “density” and “sparsity” indicators that underpin the funding formula. However, as you are aware, the outcomes of this review were never implemented.

Rutland County Council has already undertaken a number of measures in recent years to address resultant budget gaps including:

- Pausing and reducing highways works available for emergency works and unplanned remediation
- Withdrawal of the carers’ grant
- Reduction in the outsourcing of children’s assessments for courts
- Reduction in the support for elements of the learning disability day care and dementia support
- Reductions in workforce across all teams in the Council
- Increased focus on demand management
- Increasing income generation such as with green waste charges

The Council is determined to become financially sustainable with a clear transformation programme. The way services are provided by the Council will look and feel different to residents and businesses of Rutland over the short to

medium term with such decisions necessary to deliver affordable services. Council Tax remains the key component of funding such services and is planning to maximise the increase available to continue to address the budget gaps forecast and all this against a level of discretionary services already far lower than seen in our neighbouring urban authority areas.

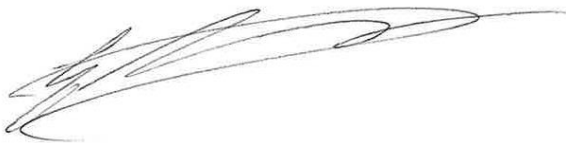
Consequently, residents in Rutland are paying for approximately 78% of the council's Core Spending Power through Council Tax this financial year, compared to just 52.57% in urban areas.

Rutland County Council, at its meeting on 6 November 2023¹, endorsed the Rural Services Network's campaign for a fair financial settlement for rural authorities and calls upon government:

- 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.
- 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.
- 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.

It was acknowledged at the meeting of Council that you have regularly lobbied the government on behalf of rural authorities in your constituency on the need for fairer funding and we would be grateful if you would continue to convey these messages to central government.

Yours sincerely



Gale Waller | Leader of the Council

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¹ [Meeting of Rutland County Council – Monday, 6 November 2023](#)