

Spending Review 2025

Delivering Change for Rural: Enabling rural opportunity

A submission to H.M. Treasury by the Rural Services Network

Contents

Chapter	Subject	Page
1	Preface	3
2	Executive Summary	6
3	HM Treasury Priority – Kickstart Economic Growth	7
4	Rural Services Network’s Asks of HM Treasury <u>RSN Fair Funding Asks</u> <u>RSN Rural Economy Asks</u> <u>RSN Rural Connectivity Asks</u> <u>RSN Rural Affordable Housing Asks</u> <u>RSN Rural Net Zero Asks</u> <u>RSN Rural Health and Care Asks</u> <u>RSN Rural Transport Asks</u> <u>RSN Rural Planning Asks</u>	11
	Appendices – Funding Disparity Graphics <u>Spending Power</u> <u>Adult Social Care</u> <u>Council Tax</u> <u>Discretionary Spend</u> <u>Towns Deals and Future High Streets Fund</u>	23

1. Preface



The Rural Services Network (RSN) is the national champion for rural services representing over 500 organisations providing services to rural communities including 82 rural local authorities across England.

DELIVERING CHANGE FOR RURAL: ENABLING RURAL OPPORTUNITY

In this submission to H M Treasury, we demonstrate the case for support and investment into the rural areas of England to release opportunity and enable rural prosperity. This will enable the rural economy to reach its potential, contributing to the overall mission of growing the economy.

There is a common thread running through this submission and the opportunities and constraints identified.

We assume that the Government wants to grow the economy in every area of the country as set out in the Labour Manifesto, not just in our towns and cities. Rural Councils will be at the heart of achieving this mission and are keen to play their full part. However, without fair funding rural councils will not have the capacity to do so. To enable the Government's ambitions to be achieved

requires long term planning with funding certainty for rural councils to plan and deliver with confidence.

Rural areas want to help the Government achieve its objectives and call for support from Government and its agencies to do so.

At the heart of our submission is the case for improving outcomes in public services in rural areas which are, and have been for decades, woefully under-resourced by central Government in comparison to urban areas of the country. Every Council should have the resources it needs to meet the needs of their residents. Rural residents should not be required to meet a greater proportion of the costs of providing those services through Council Tax than their urban counterparts.

Good quality, accessible and affordable public services are a cornerstone of economic (and social) opportunity, recovery, growth and sustainability. Without them the potential benefits from major infrastructure investments will simply not be realised. Productivity in rural areas is lower than the national average already and rural areas

will fall further and further behind and the opportunity to prosper will be missed.

More people live in rural areas across England than live in the whole of Greater London. But the distribution of resources to those different parts of England to fund essential services goes nowhere near being fair or equitable –despite Government’s repeated acceptance over the years that it costs more to deliver services in rural areas. **The central hub of our submission is for rural areas to receive a fairer share of the resources made available nationally to support services and investment.**

We recognise the financial challenges facing the Government and stress that we are, in the main **seeking a fairer distribution of national resources to rural areas and more nuanced policy to reflect the rural context – not more money per se.**

The formulae for the distribution of all national resources must fully reflect the additional costs faced by rural services providers in rural areas to achieve outcomes similar of those in urban areas. Those additional costs are

far more than just travel related. Our case is for equitable treatment for rural areas, communities and businesses.

Council Taxpayers in rural areas already pay a significant premium, on average, rural council tax is 20% more expensive than council tax per head in urban areas due to years of underfunding of rural council services. Despite the higher cost of delivering in rural areas. Urban authorities will receive some 40% more in Government funded spending power per head for 2025-2026 compared to rural councils. The cost of living is higher in rural areas and workplace-base earnings are lower than the national average.

The RSN urges HM Treasury to ensure that the Spending Review and the proposals from other Government Departments which it supports take full account of the needs of rural areas, their economies and their communities. The impacts of any measures flowing from it must be both proportionate to rural areas and properly rural proofed. Local delivery is key to meeting the unique needs of rural areas, recognising each rural area has its own distinct local needs.

There is a wider context in which we make this submission. Rural areas must benefit from the focus of the Government to Rebuild Britain.

Our Delivering for Rural campaign was launched in January 2023, as ‘Winning the Rural Vote’ and distributed widely to Ministers and MPs across Whitehall, including the Treasury. The context for that document includes the need to close the productivity gap between rural and urban areas. That means supporting the creation of better paid and more secure jobs in growing sectors of the economy. That, in turn, requires rural areas to have fast and reliable digital connectivity, a well-trained workforce, good transport networks, affordable housing and tailored business support, amongst other things.

The RSN sets out 8 key policy areas which will support the Mission led approach of the Government. These key policy areas will enable action and progress towards all 5 of the Missions and cannot be considered in isolation. For example, the delivery of the right homes, with the right mix of tenures in the right locations, with access to infrastructure and transport, can support a local workforce who can grow the rural economy and support the prosperity of the nation.

Affordable housing is also key in the recruitment and retention issues facing public services in rural areas.

Local delivery is the only way that the specific needs of rural places can be met and opportunities for growth harnessed – all policies should be rural proofed to ensure that rural areas get proportionate impact from the policies and delivery objectives. That should be a golden thread running through all Government policy proposals wherever possible. It should be the starting point and default position.

2. Executive Summary

The Rural Services Network is making 8 strategic asks of HM Treasury to support the Government Missions.

The Rural Service Network's "Asks"	HM Treasury Priorities				
	Kickstart economic growth	Make Britain a clean energy superpower	Take back our streets	Break down barriers to opportunity	Build an NHS fit for the future
1. Support fairer funding for Rural Public Services	✓	✓	✓	✓	✓
2. Seize the Opportunities from Rural Economies	✓	✓	✓	✓	✓
3. Remove Connectivity Barriers	✓	✓	✓	✓	✓
4. Support Rural Affordable Housing	✓	✓	✓	✓	✓
5. Harness Opportunities from Energy Infrastructure and Renewables	✓	✓	✓	✓	✓
6. Enable access to Rural Health and Care Services	✓		✓	✓	✓
7. Ensure that rural communities have a mix of transport solutions	✓	✓	✓	✓	✓
8. Ensure that planning policies consider rural needs	✓	✓	✓	✓	✓

3. HM Treasury Priority – Kickstart Economic Growth

Key rural facts impacting the rural economy:

- Productivity and GVA in rural areas are lower than the national average (84% of England as a whole)
- Wages earned in the rural economy are £1,600 less a year than in urban areas excluding London.
- The proportion of the population in rural areas that is working age has decreased.
- SMEs are especially important in rural economies as are Community Businesses.
- Urban councils budget to spend 3.4 times more than rural on public transport.
- Only 54% of rural residents have Gigabit capability.
- 44% of rural residents do not get 4G mobile coverage on all networks indoors.
- There are over 100,000 second homes in rural areas.
- In 2023 fuel poverty was almost 50% deeper in Rural areas than in Urban areas
- Houses in rural areas are less affordable to purchase for those in the bottom 25% of earners compared to urban areas.
- Poor public transport means both businesses and households are more reliant on the car and any increase in fuel duty will impact them much more than their non rural counterparts.

The rural economy must be enabled to reach its full potential. Research by Pragmatix Advisory for the Rural Coalition has shown that the rural economy has the potential to add an **additional £9 billion to £19 billion a year** in tax revenues with the right policy framework.

Rural Britain, with a diverse economy beyond agriculture and tourism, risks losing potential and revenue if these sectors are overemphasised politically. Supporting young people and families in rural areas is crucial for vibrant rural economies. Policies should reflect the needs of rural small and medium businesses, including micro-businesses and social enterprises. Businesses across the country, benefit from access to expert advice for expansion or innovation.

However, accessing professional advice can be challenging in rural locations, particularly for face-to-face services or due to poor digital connectivity.

Access to genuinely affordable homes must be addressed if recruitment and retentions, rural economic growth and sustainable rural communities are to be achieved.

Key Govt actions	Rural Reality	RSN asks of Government
Deliver economic stability with tough spending rules	Current metrics are not always collected at the right levels. Rural disadvantage can be hidden for example whilst there is low unemployment in rural areas, this can mask a low wage seasonal economy where employees may have more than one job to try and make ends meet.	Protect rural communities by ensuring that the metrics used to devise strategies or programmes for growth (including skills) are not based on 'one-size-fits-all' thinking but reflect the disadvantage in rural economies within counties and regions.
New partnership with business to boost growth everywhere	Productivity in rural areas is lower than in urban	Deliver a support programme for SMEs and community entrepreneurs in rural areas, especially start-ups and those seeking to grow.

Key Govt actions	Rural Reality	RSN asks of Government
National wealth fund to invest in jobs	It costs more to deliver the same capital project in a rural area, rural cannot match the economies of scale and scope of towns and cities.	Develop diversification programmes to tackle the structural weaknesses of some rural economies which are over reliant on certain sectors such as the visitor economy. Provide opportunities for the growth of the green economy and supporting infrastructure, namely the national grid and digital and mobile connectivity
Planning reform to build 1.5 million new homes	There is an affordable housing crisis in rural areas with several issues including lack of long term affordable rental market, lack of affordable homes to purchase and barriers to delivering rural affordable housing.	<p>Deliver a rural housing strategy stating how new housing will be delivered to meet rural community's needs. Introduce and fund an ambitious annual target for genuinely affordable quality rural homes and deliver this through a dedicated rural affordable housing funding programme to reflect local needs and policies.</p> <p>Address the lack of affordable homes in the countryside by Rural Proofing any planning policy changes which may be introduced. This will ensure that all planning policies have an aim of increasing the proportion of affordable quality homes built and that no policies have an unintended consequence negatively impacting on opportunities for affordable housing in rural areas.</p>

Key Govt actions	Rural Reality	RSN asks of Government
Devolution of power across England	The current mix of governance with combined authorities and areas without this structure, shouldn't disadvantage those rural areas which do not have strategic arrangements in place.	Create a system where decision making and resources are devolved to local areas as far as possible, creating the flexibility for tailored solutions to prioritise and meet local needs and opportunities.
New deal for working people	Wages earned in the rural economy are lower than the national average	Ensure policy and strategy is Rural Proofed in a way that is meaningful and demonstrable and also includes outcome monitoring. There is now a real case for placing Rural Proofing on a stronger legal footing, in the way that it has been in Northern Ireland.

4. Rural Services Network's Asks of HM Treasury

Growing the rural economy cannot be tackled in isolation. Rural England is facing a series of challenges after years of underinvestment. The differences between rural and urban communities need to be addressed if rural England is to achieve its true economic potential. Failing to tackle these challenges, will reduce the opportunity for the rural economy to contribute to the nation's prosperity.

The RSN has set out asks in 8 key policy areas which support the Mission led approach of the Government. They are as follows:

1. Support fairer funding for rural public services

Successive governments have underfunded rural councils, leaving rural voters at a disadvantage. Urban residents receive 40% more in Government Funded Spending Power per head compared to rural residents. Rural residents also pay, on average, 20% more per head in Council Tax because their local council gets less government grant. To make matters worse, council services cost more to deliver in rural areas; residents are spread across large geographies yet are still in need of vital services. Rural voters deserve their fair share of the funding pot to ensure functioning and sustainable communities, especially given the cost-of-living crisis which disproportionately affects them.

Urban Councils budgeted in 2024-2025 to spend double that of rural councils per head on discretionary services, these include economic, and community develop, public transport support, support to culture and sport and support to voluntary and community support. This can also include support to enable improved digital connectivity. These services are essential to the growth and success of the rural economy.

An ageing population places additional demands on rural services, additional support is urgently required to meet existing service pressures and unmet need.

RSN Fair Funding Asks

Calls for first 18 months in office:

- Deliver fairer funding by applying in full (without damping) the effects of the changes made (but not fully implemented) to the Needs Assessment component of the funding formula in 2013 and increase the exemplified benefits to rural councils to reflect inflation in the intervening years.
- Protect rural council taxpayers by fairly funding public services to ensure they are not asked to pay more to fund local services than their urban counterparts.
- Ensure funding for the Social Care Reform proposals uses a formula which recognises the whole range of costs faced by rural councils and care providers. This includes financially addressing the current backlog in assessments etc.

Calls for first 3 years in office:

- Ensure that the Review of Future Local Government Funding is evidence based including evidence of all of the costs drivers and not to just use the English Indices of Deprivation
- Develop the mechanism for a successful Rural England Prosperity Fund and continue this dedicated fund.
- Create public funding formulae which ensure the unique service needs, delivery constraints and the whole range of extra costs of delivering services in rural areas (and not just travel costs) are properly reflected.

2. Seize the opportunities from rural economies

There is wide political acceptance that economic growth is fundamental to improving the wealth and prosperity of the nation. Rural Britain is home to a diverse economy and is more than just agriculture and tourism, although they do play a big part. Over 90% of rural businesses are micro and small businesses, with research showing that 'the rural economy is broadly similar to the urban one'.

But, if politics only focuses on agriculture and tourism, industries outside of these sectors risk being squeezed out of the debate and their potential lost. In turn, this would lose the UK additional revenue and leave a generation in rural areas lagging behind.

The proportion of the population that is working age has decreased in recent years with the growing rural elderly population, we must focus on enabling young people and families to live and thrive in rural areas.

RSN Rural Economy Asks

Calls for first 18 months in office:

- Deliver a support programme for SMEs and community entrepreneurs in rural areas, especially start-ups and those seeking to grow.
- Protect rural communities by ensuring that the metrics used to devise strategies or programmes for growth (including skills) are not based on 'one-size-fits-all' thinking but reflect the disadvantage in rural economies within regions.
- Ensure policy and strategy is Rural Proofed in a way that is meaningful and demonstrable and also includes outcome monitoring. There is now a real case for placing Rural Proofing on a stronger legal footing, in the way that it has been in Northern Ireland.

Calls for first 3 years in office:

- Address the recommendations of the APPG for Rural Business and the Rural Powerhouse 2022 Report.
- Develop diversification programmes to tackle the structural weaknesses of some rural economies which are over reliant on certain sectors such as the visitor economy.
- Provide opportunities for the growth of the green economy and supporting infrastructure, namely the national grid and digital and mobile connectivity. Create a system where decision making and resources are devolved to local areas as far as possible, creating the flexibility for tailored solutions to prioritise and meet local needs and opportunities.

3. Remove connectivity barriers

We live in a digital world, many services are digital by default leaving hard to reach areas without access to Gigabit broadband, or mobile connectivity isolated and devoid of public services. Lack of rural digital provision poses a huge constraint not only for economic growth but also for residents unable to access training, education, employment and public services. Poor public transport poses another barrier in that rural residents find accessing in person services, even more difficult. It is vital plans are made to support connectivity in all rural areas. Rural residents and businesses deserve access to digital services at the same pace as urban areas.

RSN Rural Connectivity Asks

Calls for first 18 months in office:

- Deliver improved rural connectivity through the effective delivery of Project Gigabit; and creating a clear road map and government funding for connecting very hard to reach premises as soon as possible. As part of this, the broadband Universal Service Obligation model should be comprehensively reviewed to ensure it is fit for purpose, including raising the 10Mbps minimum which is out of date and inadequate for rural needs. Consideration should be given to how alternative technologies such as fixed wireless access or low earth orbit satellites can provide solutions.

- Protect rural residents from digital exclusion by delivering the Shared Rural Network; ensuring 5G regional innovation funding is focussed on rural areas and use cases.
- Ensure high quality coverage and delivery of TV and radio, supporting the viewing requirements of rural consumers.

Calls for first 3 years in office:

- Address the growing digital divide through a fully funded Digital Inclusion Programme, so no one is left behind due to their lack of online skills or their inability to pay for basic equipment and connection charges. This should be a national approach with a local delivery programme involving statutory, private, and voluntary sector organisations working in partnership.
- Develop new systems and methods of recycling of IT which benefits both communities and the environment.
- Create a digitally savvy, innovative rural workforce by providing accessible training, appropriately funded for rural communities.

4. Support rural affordable housing

Residents need access to a home they can afford if they are to be able to live and work in rural areas. The Economy needs a local workforce that can afford a home. House prices are higher in rural areas compared to urban and, with lower-than-average wages earned in the rural economy, it makes accessing housing unaffordable. Rural areas also suffer from a lack of affordable rental accommodation, as more properties are changed into second homes and more lucrative short term holiday lets. Access to genuinely affordable homes must be addressed if rural economic growth and sustainable rural communities are to be achieved. Rural residents deserve the right to an affordable home.

Affordable Rural Housing based on local wages (the 'Affordable Rent Tenure' is unaffordable to many rural residents) should be treated as key infrastructure as it is an un-blocker of economic, social and health well - being and development whilst its absence is a blocker to those issues. Housing in rural areas to meet the needs of the elderly or infirm in their local area is fundamental to improving access to care in the community. Affordable rural housing is essential in enabling key workers (all sectors) to live in the communities they are providing services to.

English Rural Housing Association, CPRE and the Rural Services Network commissioned work from Pragmatix Advisory to demonstrate the [Economic and Fiscal Case for Investing in Rural Affordable Housing to Drive Post-Pandemic Recovery click here to view](#). Government must reflect in its policies and decisions the positive economic, environmental, and social impacts of affordable rural housing.

The Pragmatix Advisory report clearly demonstrates that investment in rural affordable housing:

- Makes economic sense: Ten new rural homes provide £1.4 million boost to help level up disadvantaged local economies.
- Makes societal sense: 124,000 extra rural households as covid prompts families to move out from the cities.
- Makes fiscal sense: Each new rural affordable home pays for itself and returns an extra £54,000 to Treasury coffers.

Social rented homes, alongside funded long-term support, can address homelessness, and move people out of hospital. With the right support from Government the housing sector can make a significant contribution to meeting the net zero targets.

RSN Rural Affordable Housing Asks

Calls for first 18 months in office:

- Deliver a rural housing strategy stating how new housing will be delivered to meet rural community's needs. Introduce and fund an ambitious annual target for genuinely affordable quality rural homes and deliver this through a dedicated rural affordable housing funding programme to reflect local needs and policies.
- Protect rural tenants by ensuring that local authorities can register and manage the short and long-term rental market to meet local need, thus avoiding oversupply of holiday lets. In addition, the Government should ensure that policies on Energy Performance Certificates do not result in a reduction of long-term rental properties.
- Ensure that a national homelessness strategy includes investing in solutions in rural areas, taking into account the distinct challenges of rural communities.

Calls for first 3 years in office:

- Address the lack of affordable homes in the countryside by ensuring that all planning policies have an aim of increasing the proportion of affordable quality homes built and that no policies have an unintended consequence negatively impacting on opportunities for affordable housing in rural areas.
- Develop a policy to exclude rural areas from any proposals to extend the Right to Buy to Housing Association properties.
- Create a programme of at least 5 years of support for a national network of Rural Housing Enablers covering each rural housing authority.

5. Harness opportunities from net zero

Rural areas with their abundance of natural assets are well placed to embrace the country's transition to Net Zero and tackle biodiversity loss, and with government investment can deliver jobs in green growth sectors. Rural communities must benefit from schemes that are based within their area and not just be a location for urban solutions. Many government actions proposed cannot be implemented until rural electricity supply networks are improved and reasonably priced sustainable energy alternatives are available. From energy production to unlocking digital potential to increase jobs, rural areas offer a range of opportunities that could benefit all.

RSN Rural Net Zero Asks

Calls for first 18 months in office:

- Deliver a 'fabric first' Energy Strategy which addresses rural needs. This means, ensuring rural is ready to embrace the move to a technology neutral approach to Net Zero so that individuals can choose the most appropriate solutions. Government should focus on funding and capability support to achieve low carbon homes including an emphasis on skills to support the roll out of schemes in rural areas.

- Protect rural communities and businesses by not increasing duty or taxes on vehicle fuel cost. Such duties/taxes disproportionately hit rural residents, business, and service providers until comprehensive electric roll out is implemented.
- Ensure that all economic growth programmes include explicit objectives to support low carbon and Net Zero growth. Specialist advice and related grant funding should be made available for existing rural businesses to help them reduce their carbon footprint and the UK meet its 2050 targets.

Calls for first 3 years in office:

- Address the gaps in the network of public charging points across rural Britain. As many rural areas are tourist hotspots, increasing this network will boost the economy in rural areas.
- Develop rural communities which are self-sufficient by decentralising energy networks in rural areas. By building networks that are based on local renewable production, rural communities could retain money within their local economies and support local jobs.
- Create a Net Zero Rural Britain by working with the energy industry to ensure that the electricity distribution network is resilient, reliable and fit-for-purpose across all rural Britain before additional demands are put upon it.

6. Enable access to rural health and care services

A core NHS principle is to provide services to all. Yet rural residents are disadvantaged due to poor access to transport, greater distance to receive timely care, a higher density of older people, the availability of affordable and appropriate housing stock and difficulties recruiting and retaining a healthcare workforce - all impacting on the health and care of rural residents. A recent [EFRA report on mental health](#) concluded that 'rural communities needs are not fully reflected in mental health policy and services and NHS planning.' Rural councils are struggling to deliver social services due to rising costs and increased demand. Rural residents deserve healthcare that is truly accessible and effective to all. By ensuring that rural residents can access the health and care services they need at an earlier stage or through preventative work, this can reduce the cost to the Government longer term, reducing the need for emergency treatment and care.

RSN Rural Health and Care Asks

Calls for first 18 months in office:

- Deliver a rural work force strategy to aid training and recruitment across all health and care services including dentistry.
- Protect rural communities now by accepting the recommendations of the May 2023 EFRA Committee report into rural mental health. Immediately action the recommendation to establish a “new joint rural health policy and delivery team to lead and improve on current “rural proofing” of health policy; and work with NHS England to set targets to measure and improve outcomes for rural mental health services and support rural health providers”.
- Ensure strategy is Rural Proofed, especially proposals designed to tackle the core drivers of disparities in health outcomes including quality of housing, and access to good quality jobs and training. This must also take into account the whole range of extra costs of delivering services in rural areas and ensure that they are accurately reflected in funding formulae.

Calls for first 3 years in office:

- Address the lack of understanding of the distinctive health and care needs of rural areas to deliver services that are suited to the specific needs of rural places.
- Develop integrated services that provide holistic person-centred care.
- Create a culture which ensures the Third Sector is included as a partner in the integrated planning system and resourced accordingly, where it is cost effective to do so and in the community’s interests. The contribution of community and voluntary organisations must not be underestimated, not least with respect to prevention and wellbeing.

7. Ensure that rural communities have a mix of transport solutions

Many rural public bus services are infrequent, finish early in the evening and do not run at weekends, making costly car ownership for many rural residents a necessity. Urban councils receive more government funding than rural and spend 3.4 times more on public transport. Competitive bidding for Government Transport Funds has unjustly left some areas with no additional funding. Investing in transport reduces social isolation, is better for the environment, opens up employment and training opportunities, healthcare and public services, thereby reducing the burden on other government budgets. Rural residents deserve fit for purpose, affordable public transport.

RSN Rural Transport Asks

Calls for first 18 months in office:

- Deliver an evidence-based Future of Rural Mobility Strategy that acknowledges that buses are essential infrastructure and places a duty on (and allocates funding to) Local Authorities to determine their local need for socially necessary rural buses.
- Protect Community transport by creating a larger funding pot which is sustained over a longer period. It should promote the use of community transport schemes which serve outlying settlements and feed into bus or rail routes.
- Ensure funding for the Rural Fuel Duty Relief Scheme and the Rural Mobility Fund (without a bidding process) to deliver equality of access. Ensure local authorities are fairly funded to maintain vital rural road infrastructure.

Calls for first 3 years in office:

- Address the gaps in the National Bus Strategy by producing a Rural Bus Strategy, objectives for rural provision, with funded actions to better serve rural communities and their economic needs on a sustainable basis.
- Develop and strengthen the power of Local Authorities to deliver these services by ensuring predominantly rural Local Authorities regain and sustain their ability to offer necessary revenue support.
- Create a greener future by undertaking a comprehensive review of the electric grid and, where appropriate, hydrogen supply, to address the risk that the high costs of introducing electric or hydrogen buses and their fuelling facilities could prove problematic in rural areas.

8. Ensure that planning policies consider rural needs

We need to think long term in our vision for rural communities, with the right houses, in the right places, to ensure that our communities are thriving places now and in the future. It is vital to ensure that our villages and towns have the right infrastructure to enable sustainable living and local businesses to thrive by providing access to key services for rural voters. Planning policies must be rural proofed to ensure that there are no unintended dis-benefits for rural areas and that solutions meet the needs of rural communities. Rural residents deserve to live in well planned and sustainable communities with access to the local services they need. Changes to the National Planning Policy Framework currently subject to consultation raise very many concerns in the rural context – not least of which are changes to the assessment of housing need and the removal of the Urban Uplift. The resultant huge increase in the numbers of dwellings required in rural areas is unrealistic and not deliverable.

RSN Rural Planning Asks

Calls for first 18 months in office:

- Deliver an effective approach to Neighbourhood Plans into which rural communities have spent a huge amount of time and effort.
- Protect rural voices in community engagement around planning. Whilst digital might always be the preferred choice, poor connectivity in rural areas means many voices are being lost.
- Ensure vacant and underused buildings in rural town centres find productive use as housing in appropriate locations and where little prospect exists of continuing retail use.

Calls for first 3 years in office:

- Address the issues cause by combining Section 106 and CIL into a single Infrastructure Levy. There is a danger that the legal basis for enforcing a local connection with a development through S106 will be lost if the rules are softened.

- Develop Rural Proofed planning policy which gives autonomy to Local Authorities and the communities they serve and ensure that the needs of rural communities are not overlooked in future changes to national planning policy guidance.
- Create thriving rural areas by building the right homes, in the right places offering a range of tenures for all stages of life from the working young to retirees, ensuring that they have suitable infrastructure and public services to support them.

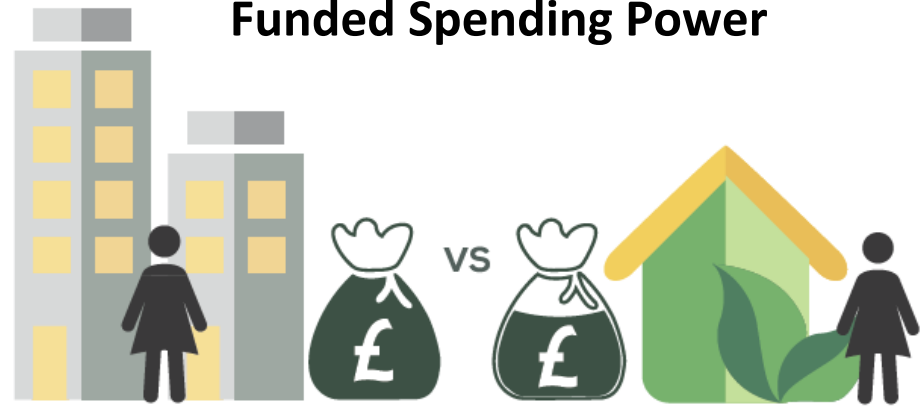
There is much innovation in the ways local authorities and their partners consider service delivery. However, without fair funding for rural public services and the ability to fully reflect rural needs and circumstances, innovations in service delivery will be hampered.

Appendices – Funding Disparity Graphics

SPENDING POWER

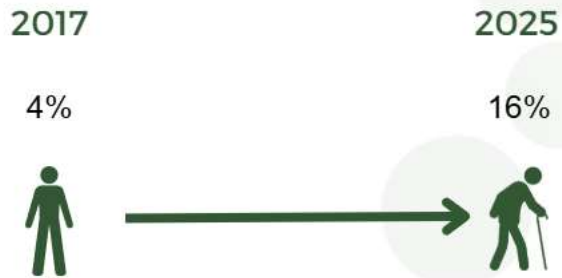
The per head difference in Government funded spending power 2025/26.

Urban get **40%** more than rural councils per head in Government Funded Spending Power



The gap between rural and urban social care grant is increasing

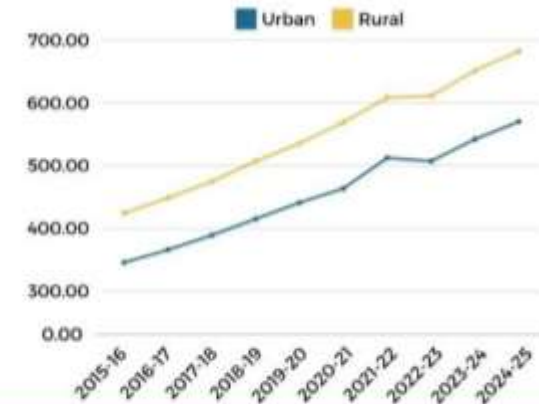
Despite rural residents facing a greater cost burden for their care provision, the gap between the urban and rural care grant is increasing



COUNCIL TAX INEQUALITY

To fund the shortfall in Government funded spending power we are consistently paying more Council Tax.

Total Council Tax per head of resident population



TOTAL DISCRETIONARY SERVICES SPEND

Urban authorities can spend considerably more per head than those in rural areas. Looking at the latest figures for 2024/25 urban spend is over DOUBLE that of rural.



Future High Street and Towns Deal Funding Allocations



Rural areas are losing out. Where data are available, they show actual funding favouring northern non-metropolitan urban locations.

There is a paucity of data available identifying the location of spending via the various economic development and similar funds. Where there is transparency and disclosure, with the Towns Deals and the Future High Streets Fund, rural communities are receiving per head of population only 92 per cent of that received in urban areas.

The Treasury's Green Book appraisal process (as used to assess Future High Streets Fund projects) does not account for rural differences. Cost benefit appraisals often favours urban.

