

Rural Poverty

Submission from the Countryside Alliance

1. The Countryside Alliance is grateful to the Labour Rural Research Group for conducting this call for submissions on rural poverty. We recognise the request for contributions concerning seven domains of the 2025 Indices of Deprivation and intend to contribute on the themes of income in relation to the rural premium, employment, crime and health & disability in relation to mental health.
2. The issue of the 'rural premium' was notably highlighted in the 2023 report by the All-Party Parliamentary Group (APPG) for Rural Business and the Rural Powerhouse, [*The Rural Premium: Exploring the impact of the cost-of-living crisis in rural areas*](#), to which the Countryside Alliance contributed. The report quotes our 2022 research showing that rural households spend almost £800 a year more on fuel than people who live in urban areas and spend up to 6 pence per litre more for petrol. Defra figures suggest rural life necessitates longer journeys, with an average travelling distance per resident at 5,767 miles in 2020, compared with 3,624 miles for urban dwellers and 4,334 miles across England as a whole.
3. For that reason, we identified that the electrification of road transport presents an opportunity to move toward a road taxation scheme that treats rural residents more fairly. We do have concerns over how feasible a ban on new petrol and diesel cars from 2030 will be for rural communities, with accelerated investment required in charging and the underlying grid infrastructure. We recognise, however, that eventual transition is inevitable, and as such we have urged the Chancellor to set out an assurance that any future model for [road pricing](#) would take full account of the necessity for those living in rural areas to take more and longer journeys by private transport. We are concerned that the model set out at the most recent Budget does no such thing, and will respond to the ongoing consultation to set out these concerns in more detail.
4. The APPG report goes on to quote our warnings as to the impact of inflation on village shops and broader rural enterprises. We raised the *"risk to small local shops, farm shops and craft producers operating with higher production costs if consumers, having less disposable income, are forced to substitute cheaper, mass-produced goods and shop at larger discounted stores,"* and *"the impact of rising energy prices, general inflation and reduced disposable incomes on the viability of rural businesses that target discretionary spending, such as those in the tourism and hospitality sectors."*

5. Our concern over threats to rural businesses, coupled with our awareness of the critical role they can play in their communities, continues to inspire our promotion of the annual [Countryside Alliance Awards](#), in which rural businesses compete across a range of categories for regional and national awards.
6. The report also highlighted our concerns in relation to rural housing, which faces challenges of both affordability and availability. As we stated: *“The need for more housing stock is not just an issue in towns and cities. Many rural areas are also suffering from a lack of housing, especially affordable housing. That shortage is one of the greatest challenges for communities across the country, including in rural areas.”* We welcome its call for a dedicated rural housing strategy, including building targets for rural homes for sale and affordable rent, across rural communities over the coming decade.
7. Another area we are keen to highlight is fuel poverty among households off the gas grid. Often reliant on heating oil, these households have often fallen between the cracks in government policy aimed at supporting families facing escalating heating costs. During the initial phase of Russia’s invasion of Ukraine and the subsequent energy price crisis, the previous government announced several energy price support schemes, but initially these were structured in a way that excluded off-grid homes. Campaigning from the Countryside Alliance and others led to some revision that improved matters, but heating oil prices remained elevated, and households faced the additional problem of having to pay for it in lump sums in advance. We have been calling on the government, at successive Budgets, to reduce the VAT rate on domestic heating oil to zero and cut the rate paid by businesses from the current full rate of 20%.
8. Our campaigning also helped to secure the previous government’s announcement that the proposed ban on like-for-like replacements of oil boilers would be put off until 2035, and homes that could not be reliably heated by other means would not be forced to switch at all. We are keen to see these concessions maintained.
9. On employment, the Group is right to identify a decline in the agricultural sector. We have raised this concern in relation to multiple policy areas, including changes to agricultural property relief and business property relief from inheritance tax, farm support schemes and land use change. Earlier in 2025, the government consulted on land use. In [our response](#), we stated, *“The most significant land-use change outlined in the documents is the 14% of land area that will see serious or complete loss of agricultural production, and we are concerned to ensure that overall agricultural productivity loss is minimised and does not undermine food*

security.” We also argued that in addition to the land use principles proposed in the consultation document, the government should adopt an additional principle of avoiding increased reliance on imports resulting from land use change.

10. We also pointed out that the long-term decision-making necessary to effect land use change relies on certainty over how its continued management will be funded, where the market is no longer a viable source of revenue. Farmers’ recent experiences with agricultural transition funding, specifically the sudden closure of the Sustainable Farming Incentive scheme, have undermined confidence in long-term planning and changes to revenue streams. Inadequate or uncertain funding presents a risk to rural employment as well as to effective land management.
11. More broadly, we are concerned about the impact of increased Employer National Insurance contribution rates, which, per last year’s Budget, rose from 13.8% to 15% with the secondary threshold falling from £9,100 to £5,000, on hard-pressed rural businesses that have already faced tight margins. Payroll is the highest cost for many small rural businesses, and this change seems to be at odds with the government’s growth mission. There is also a likely impact on customers, with the OBR having forecast that businesses would pass on an average of 60% of the increased cost to them.
12. On crime, in recent years, the Countryside Alliance has conducted an annual Rural Crime Survey. Over this year and next, the format will be evolving, but [our last survey](#), published in March 2025, found that 96% of respondents saw crime as a significant issue in their area, and 45% believed that the police do not take rural crime seriously. Key crimes identified as priorities for police to crack down on included agricultural machinery theft, fly-tipping and hare poaching. It also showed that 32% of crimes were never reported to the police, with many citing a perceived lack of police action as their rationale for failing to report.
13. In response to the survey the Countryside Alliance called for action to be taken and outlined ways in which rural crime might be more effectively dealt with, including the implementation of the Equipment Theft (Prevention) Act 2023, greater usage of powers available to police and magistrates, better reporting of cases of livestock theft and increased support for the National Rural Crime Unit. We collaborate with police and other interested stakeholders as active members of the National Rural Crime Network.
14. The survey we conducted on [mental health challenges](#) in rural areas in support of an EFRA Committee enquiry ran over Christmas 2021-22 and saw over 700 people

take the time to inform us, anonymously, of their experiences and impressions of mental health issues within rural communities across over 1,700 written comments. It uncovered significant evidence of concern both about rural mental health in general and the government's provision of help to those who need it. Areas highlighted especially include the provision, visibility and funding for services in areas of sparser population.

15. The survey invited responses both from those with and without direct experiences of mental health and healthcare services available in their community, because people are far less inclined to seek help if they are not convinced it will be forthcoming. On care provision, the survey confirmed our understanding that the twin challenges of lower population densities and longer travelling times to access services mean apportioning resources across the country on a strictly numerical basis would inevitably lead to rural areas being left behind. Provisions must instead be tailored to the needs of local communities, with these factors taken into account. This is particularly true given the strong preference the survey uncovered for services delivered in person, as opposed to by remote technological means.
16. We were keen to understand the key drivers of mental ill-health in rural communities. Understandably, the coronavirus pandemic loomed large; many respondents focused on the enforced curtailment of community and social life that was imposed as part of attempts to limit infection. More subtly, we also found a degree of despondency at contemporary attitudes towards rural life that numerous respondents found alien to the realities of the countryside. The 30% who reported having suffered harassment, often on social media, for supporting country sports were acutely affected.
17. We would encourage the Group to consider as evidence for its report [The Pretty Poverty Report: Cornwall Rurality Matters](#), a report on rural poverty in Cornwall published by Plymouth Marjon University in September and launched in Parliament by Perran Moon MP in November. The report argues that the IMD has three key deficiencies that undermine its usefulness in assessing rural poverty. First, it seeks to identify the average levels of deprivation within geographical areas, but in rural areas, poverty is often dispersed between more affluent households. Second, some of the indicators it uses are more applicable to urban than rural areas, such as recorded crime, which tends to suffer from under-reporting in the countryside. Third, it assigns a relatively low level of importance to the deprivation category 'barriers to housing and services', including accessibility, which fails to account for problems with rural transport and the resulting over-dependence on private cars.

18. We also encourage the Group to take note of the [Statistical Digest of Rural England](#), published quarterly by Defra, which we expect will include relevant data across most or all of the themes under consideration in this report.