



Rural Cost of Living Crisis

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Context

Rural residents **pay more, receive fewer services** and, on average **earn less** than those in urban areas - the **cost of living is higher. This is inequitable.**

This presentation covers, RSN cost of living research undertaken to date, evidence given and details of ongoing campaign work.



Rural cost of living

Key findings of report and current challenges

July 2022



Kovia
CONSULTING



The cost of living is higher in rural areas in the respects studied

Our research has found that rural residents working in rural economies earn much less than their urban counterparts and face significantly higher costs in respects studied:



House prices, which are on average 39% higher than in urban areas (exc. London). The rural premium is even more significant in rural villages and hamlets where the average house sale price was £416,200 in Q1 2020, which is **55% higher than in urban areas** excluding London. This results in young people and those on lower income being priced out of rural areas.



Rent: increased demand from renters to live further away from cities since Covid has led to asking rents in suburban and rural areas jumping by 11%. **This is particularly affecting rural households on low income who now spend 47% of their earnings on rent compared to 43% for low-income households in urban areas.** The **61% drop in the availability** of rural locations since the pandemic is a clear indication that the rural housing supply is disappearing.



Food Prices: rural households spent £65.60 a week on food and non-alcoholic beverages, which is **2% more than urban areas.** These differences are also likely to be higher for rural households where physical access to food shops or digital access to online shopping is an issue.



Council Tax: in 2022/23, rural residents will pay, on average, **£104 more per head in Council Tax than their urban counterparts.**



Transport: rural households spend on average **£113.90 per week on transport compared to £76.20 for urban households.** For rural households, transport costs represent a **higher proportion of their disposable income (12.3% vs. 9.9%).**



Heating: rural households have a much larger fuel poverty gap than their urban counterpart. In rural areas, the reduction in fuel bills needed to take a household out of full poverty would be **£501, compared to £223 in urban areas.** This is because rural properties tend to be less energy efficient and have a higher incidence of being off the gas grid. This results in the average **estimated energy cost of dwellings in predominantly rural areas being 10% higher than in predominantly urban areas, at £808 per year (before the 2022 price increases).**



Domestic energy poverty and transport energy poverty overlap geographically. This double energy vulnerability tends to concentrate in isolated, rural areas and increase the likelihood of negative impacts upon well-being, highlighting the need to overcome policy silos and calling for an integrated approach recognizing the geographical accumulation of multiple forms of disadvantage.

Huge media take up



<https://rsnonline.org.uk/images/publications/rural-cost-of-living.pdf>

Extensive BBC Coverage:

National news and 19 regional news programmes
BBC Farming Today
BBC Radio 4, Radio 2 and regional radio

National Press:

Daily Express
Farming UK
Government Business

Plus 17 entries in regional and trade press

Energy crisis horror as poorest Britons to fork out half of disposable income on bills

Rural areas get no help in mini-budget despite higher cost of living, says Shropshire MP

Cost-of-living crisis worse in rural areas

Rural Services Network study shows rural areas are being hit harder during cost-of-living crisis

Rural areas hit harder by cost-of-living crisis, study finds

Rural communities face 'triple blow' in cost-of-living crisis

Devon
County Council



Herefordshire
Council

Somerset West
and Taunton

Eden
District Council

 EXMOOR
NATIONAL PARK

West Lindsey
DISTRICT COUNCIL

Rural Powerhouse APPG evidence from RSN members

Rural Powerhouse APPG

Oral and written evidence submitted on cost of living by RSN included:

Business – *“Rural businesses are struggling. Many rural businesses adapted during the pandemic. Shops and restaurants diversified into online deliveries and takeaways. For rural communities this was a lifeline, particularly for vulnerable residents who were at the mercy of sparse public transport systems that they did not feel safe using. Whilst larger supermarkets were able to retain and expand their online deliveries once COVID restrictions lifted, smaller rural businesses were not. They are now in a position where their costs are increasing to the point, they are unsustainable.”*

Employment – *“Large numbers of employees need 2 or more jobs to make ends meet. All minimum wage”. “Low wages not enough to meet costs-of-living so employees leave.”*

Housing – *“lack of affordable housing is a significant factor in the recruitment and retention of people in the public services such as Doctors, Nurses and Teachers.” “There has been a 61% drop in the availability of rented properties in rural areas since the pandemic.”*

Energy – *“The government’s proposed ‘Rural First’ approach to heat decarbonisation, with a replacement boiler ban proposed from 2026 in off grid homes (2035 for on gas grid homes) and small non-domestic buildings and 2024 for larger off grid businesses is **grossly unfair and should not proceed.**”*

PARLIAMENT

STREET SW1



WHITEHALL

SW1



CITY OF WESTMINSTER

**RSN Cost of Living
Campaigning**

Levelling Up Rural Britain

Backbench debate 9 November

The debate was based on recent RSN commissioned research which shows:

Were England's rural communities a distinct region, their need for Levelling Up (based on the Government's figures) **would be greater than that of any other part of the country,**

<https://rsnonline.org.uk/images/publications/rural-as-a-region-the-hidden-challenge-for-levelling-up.pdf>



“Although I am only 10 days into the job, I am very happy to talk to more colleagues about local government finance in general. I am keen to understand, to learn and to take the expertise that the all-party group and others have demonstrated over so many years to assist me in my role in the months ahead”

Lee Rowley DLUHC

Watch the footage from Parliament TV at:

<https://www.youtube.com/watch?v=vuRToZxp-Qg>



Local Government Funding

Rural Service APPG 6 December

RSN has written to all rural MPs to urge them to attend this event at which Lee Rowley, DLUHC will be present.

Ahead of the meeting Rural MPs have been given:

1. [A Briefing Note on the Rural Impacts of the Autumn Statement 2022](#)
2. [A Call for Action by Rural MPs ahead of the Local Government Finance Settlement for 2023/24](#)
3. [The Briefing Note issued ahead of the Levelling Up debate on Rural Britain](#)
4. [Constituency analysis of Local Government Finance Settlement for 2022/2023](#)

LOCAL GOVERNMENT FUNDING: BASELINE POSITION

- Urban areas in 2022/23 receive some 59% (£105.21) per head in Settlement Funding Assessment grant more than their rural counterparts (it was 45% in 2015/16).

- Rural residents pay, on average, £104.20 (21%) per head more in Council Tax than their urban counterparts due to their Councils receiving less government grant.

Evidence gathering still to come

The RSN is working with the Citizens Advice Rural Issues Group on a survey to be rolled out across rural communities early in the new year. The purpose of the survey will be to gather further evidence to strengthen the case for fairer rural funding. Let us know if you'd like to be involved.

Analysis carried out by the Citizens Advice in September makes for stark reading:

The Coming Storm

Citizens Advice data shows that people could struggle even more to make ends meet in the coming months

September 2021



<https://www.citizensadvice.org.uk/Global/CitizensAdvice/Covid-19%20Data%20trends/The%20coming%20storm;%20Citizens%20Advice%20data%20report%20September%202021.pdf>

Thank you

