




HM Treasury

AUTUMN BUDGET 2024

FIXING THE FOUNDATIONS TO
DELIVER CHANGE





HC 295



October 2024

The Budget

Rural Services Network



	Announcement	Rural Impact
	£230 Million funding for homelessness and rough sleepers	This is welcomed but hidden homelessness in rural areas must not be ignored, and prevention work must be resourced appropriately
	Increase in stamp duty for second homes from 3% to 5%	A positive step towards trying to manage the second home issue which can be prevalent in rural communities, forcing house prices to increase.
	Councils will keep 100% of the receipts from Right to Buy helping them to reinvest in affordable housing locally	This is a positive move, although we would like to have seen smaller rural communities be exempt from Right to Buy altogether to keep social housing within rural communities
	£900 Million confirmed for Shared Prosperity Fund	No mention however of the Rural England Prosperity Fund...how will the SPF be allocated?

	Announcement	Rural Impact
	Core Spending Power will increase for local government services by £1.3billion	How much of this will go on improving services? £600 Million is the Social Care Grant
	Business Rates	<p>Business rates pilots will continue into 2025-26 for West of England, Cornwall, Liverpool City Region and the Greater London Authority. Greater Manchester and the West Midlands will have their own “trailblazer” pilot arrangements from 2025-26, although in practice they will look very similar in the short term.</p> <p>Engagement on Business Rate reform: https://assets.publishing.service.gov.uk/media/67212a5f4da1c0d41942a8c1/Transforming_Business_Rates.pdf</p>
	Fuel Duty freeze	Good for rural residents that rely on the private vehicle, although won't encourage move to public transport. Future implications when freeze is removed
	Bus Fare Cap increase from £2 to £3	Good that the cap remains but at 50% increase that may hit viability of rural services if passenger numbers reduce. Only useful where buses exist!

Announcement

Local Government Reorganisation



Rural Impact

“The upcoming English Devolution White Paper will set out more detail on the government’s devolution plans, including on working with councils to move to simpler structures that make sense for their local areas, with efficiency savings from council reorganisation helping to meet the needs of local people.”

Potential impact in rural areas where devolution deals are currently not finalised. Potential impact for reorganisation of district and county councils

'Betrayed' farmers take inheritance tax protest to London



Malcolm Prior Ruth Comerford
Rural Affairs Produce BBC News

19 November 2024

The National Farmers' Union (NFU) have accused the government of "betrayal" as thousands of protestors gather in London for a rally against the planned changes to inheritance tax rules for farms.

"To launch a policy this destructive without speaking to anyone involved in farming beggars belief," NFU President Tom Bradshaw will say in a speech on Tuesday.

The recent Budget announcement means that previously-exempt farms worth more than £1m would have to pay an inheritance tax of 20% - half the usual rate of 40% - from April 2026.

"This budget has just ripped the heart out of us because I know my son will not be able to pay the inheritance tax," Gloucestershire livestock farmer David Barton told the BBC.

MPs warned of threat to charities after Budget



COMMUNITY ACTION SUFFOLK

Community Action Suffolk boss Hannah Reid has written to the county's MPs to warn them of possible job cuts and loss of services following the budget

Zoe Applegate
BBC News, Suffolk

13 November 2024

A Suffolk group that supports charities has warned local MPs some organisations could close and nearly 90 jobs could be lost following the autumn Budget.

Community Action Suffolk (CAS), based in Ipswich, provides advice and support to voluntary, community, faith and social enterprise organisations across the county.

It said it had written to every Suffolk MP on behalf of 29 groups, telling them the budget "may have gone a step too far" as the impact of employers' National Insurance contributions (NICs) changes could cost the local charity sector an extra £2.33m.

HM Treasury said in a statement its tax regime for charities was "one of the most generous anywhere in the world".

Some charities fear the NICs changes will drive up staff costs by too much and put pressure on the need to do extra fundraising to make up shortfalls.

Autumn Budget: Chancellor announces more than £30m for breakfast clubs



30 October 2024

Chancellor Rachel Reeves triples funding for breakfast clubs in her first Budget announcement

The Chancellor set out the Labour government's plan to invest in the future generation, as part of today's Budget, confirming it will triple its investment in breakfast clubs for primaries to over £30m.

This funding will help ensure children – especially those from disadvantaged backgrounds – "are ready to learn at the start of the school day," she said in her speech.

The government previously said this investment in breakfast clubs would lead to "improvements to behaviour, attendance and attainment" and "bring down barriers for all children."

We applaud the government's focus on investing in the next generation, and this reflected in the Autumn Budget.

PRESS RELEASE

Campaign for Pubs

Budget 2024: Publicans dismayed at big hikes in costs and cut in existing relief, which will lead to job losses and higher prices



UK publicans have been left bitterly disappointed by the first Budget from the new Labour Chancellor, Rachel Reeves MP, with a huge hike in business costs imposed on struggling small businesses, and a big cut to current business rates relief, which has been a lifeline to many pubs during this cost-of-living crisis.

Publicans and pub campaigners and the had hoped that the Government would realise that publicans are working people – extremely hard-working people – often working long hours for low pay, in many cases lower than minimum wage, so tight are the margins during this economic crisis. Pubs and other small businesses had hoped for a Budget that would deliver economic growth, something which is driven by small businesses, but instead costs are up and support is down, with publicans now facing the stark choice of cutting staff hours and staff numbers, raising prices when customers are already feeling the pinch or closing the doors altogether.

Publicans, pub campaigners and the Campaign for Pubs had hoped that the Government would realise that publicans are working people – extremely hard-working people – often working long hours for low pay, in many cases lower than minimum wage, so tight are the margins during this economic crisis. Pubs and other small businesses had hoped for a Budget that would deliver economic growth, something which is driven by small businesses, but instead costs are up and support is down, with publicans now facing the stark choice of cutting staff hours and staff numbers, raising prices when customers are already feeling the pinch or closing the doors altogether.

The slashing of business rates relief is mean a **140% increase** for anyone with rates payable as the rateables values and multipliers have not been touched, only the relief. Given how over-rated many pubs are this is likely to be an increase in the thousands for most pubs and tens of thousands for the largest pubs. The only really positive measure for pubs and the wider hospitality sector is a long overdue announcement of a reform of the unfair business rates system, but this won't come into force until 2026-27, so is of no help to publicans and pubs in the current very difficult situation.

Wider impact of budget will be felt across organisations that support our rural communities



Campaigning for a fair deal for rural communities



36%

Urban areas will receive 36% more in Government Funded Spending Power per head than Rural in 2024-2025

Urban local authorities will receive some 36% (£141.71) MORE in Government Funded Spending Power per head compared to rural authorities in 2024 /2025



20%

Rural Residents will pay on average 20% more per head in Council Tax

Rural residents will pay, on average, 20% (£112.33) MORE per head in Council Tax than their urban counterparts due to receiving less government grant in 2024/2025

Letter to the Minister



Ministry of Housing, Communities and Local Government

2 Marsham Street,

London

SW1P 4DF

15th November 2024

Dear Rt Hon Jim McMahon MP

We are writing to you as the Rural Services Network, a national group representing rural service providers and local authorities in rural communities to urge you to ensure that rural local authorities receive a fair allocation of funding in the Local Government Finance Settlement.

We are proud to represent our rural areas and have been working to deliver services that meet the needs of our rural communities. You will note the strength of feeling on this issue from the 57 rural local authorities that have co-signed this letter.

However, rural councils have been underfunded for a number of years which means that we have to make difficult choices about the services that we provide.

The 2024-2025 Local Government Finance Settlement meant that urban councils received 36% per head in Government Funded Spending Power more than rural councils. Over the years, rural councils have had to increase council tax to balance the books, resulting in council tax in rural areas now being on average 20% higher per head than in urban areas. For rural residents, where average wages earned in the rural economy are lower than the national average, and the cost-of-living is higher. This creates a challenging situation.

We welcome the move towards multi year funding settlements and an end to competitive bidding for funds, but we are keen to ensure that rural local authorities are not disadvantaged by this approach. Measures and metrics used to assess need must take into account in full the additional costs of delivering services to rural residents (these are far more than travel related costs). The growing ageing population in our rural communities places additional demands on services which also needs to be taken into account.

We would welcome a conversation with you to ensure that this Government is taking into consideration the needs of all areas of the country, including our rural communities ahead of the Provisional Local Government Finance Settlement, and as part of future reviews of that process.

Fairer Funding for Rural Communities

Rural Services Network

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Campaigning for a fair deal for rural communities