



# Revitalising Rural

 RURAL  
SERVICES  
NETWORK

Realising the Vision

## RURAL SCHOOLS AND COMMUNITY FACILITIES





# Revitalising Rural

Realising the Vision

## The Rural Services Network

We are a membership organisation and we work on your behalf for rural communities.

The RSN is the national champion for rural services, ensuring that people in rural areas have a strong voice. We are fighting for a fair deal for rural communities to maintain their social and economic viability for the benefit of the nation.

Our membership comprises 116 rural local authorities plus over 210 other rural service providers and interest groups including Rural Housing Associations, Healthcare Trusts and Charities. We also have over 200 larger Parish or Town Councils in the Rural Market Town Group.

You can find out more about the RSN at our website [www.rsnonline.org.uk](http://www.rsnonline.org.uk).

We always welcome new members and if you are interested in joining the RSN, click here for more information. [Join the RSN!](#)

## Revitalising Rural, Realising the Vision

Revitalising Rural, Realising the Vision is a campaign run by the RSN, which sets out a number of policy asks in 14 key subject areas to help support rural areas to achieve their full potential, and to 'level-up' areas of historical underinvestment.

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Realising the Vision

## RURAL SCHOOLS AND COMMUNITY FACILITIES



### Why it matters

Local service outlets and facilities provide a focus for village life. Once they close, residents have no option but to travel elsewhere for their everyday needs, resulting in something fundamental being lost. That something is often referred to as community vitality or even sustainability.

Local services and facilities provide residents with easy access to groceries, banking, leisure, and social activities, among others. This can be especially important for older people and those without a car. Village schools, meanwhile, encourage younger families to stay or move into rural communities.

Local services and facilities also contribute economically, providing valuable jobs and retaining some expenditure at the settlement level. Many also offer volunteering opportunities.

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Local services and facilities act as informal meeting points, where people get to know each other and maintain friendships, whether at the school gate, the pub counter, or the queue in the shop. Village halls also help communities to thrive, combat isolation and loneliness by enabling organised social activities.

Local services and facilities reduce the need for rural residents to travel (what can be quite long distances without a public transport option) and they thereby deliver environmental benefits, by reducing road traffic, pollution, and greenhouse gas emissions.

## The national policy context

Key elements of national policy include:

- Village schools – a long-standing Government policy is the presumption against rural school closures (other than in exceptional circumstances). This policy recognises the wider social cost for communities where a school closes. A National Funding Formula (NFF) for schools was introduced a few years ago, benefitting some (though not all) small rural school budgets. Without economies of scale, small schools have proportionately higher underlying running costs. Changes made to the NFF in 2021/22 increased the formula's sparsity factor to £42 million (up from £26 million in 2020/21). Government also recently consulted about whether to increase that sum further, so the sparsity factor could benefit more schools.
- Village shops and pubs – the Plunkett Foundation provides guidance through its advisers and online resources to communities that wish to take over and run their local shop or pub (see also the section on community action). Advisers at Pub is the Hub provide guidance to pubs (commercial or otherwise) who want to broaden the range of local services that they offer. Grant funding has been made available for such initiatives from various sources, including the National Lottery.
- Post offices – Post Office Limited is required to adhere to some 'access criteria' and must maintain a network of around 11,500 outlets (both urban and rural). It must meet a target, that 95% of the rural population live within three miles of an outlet. The Post Office network receives £370 million of Government funding for the period 2018 to 2021, to help it retain otherwise uncommercial outlets. Many rural outlets are now Post Office Locals, with services provided at a main shop counter. A growing number are outreach Post Offices, set up for a few hours per week at a community venue. The Banking Framework Agreement allows customers of banks and building societies to access their accounts at a Post Office.
- Village halls – Defra provides £700,000 for a Rural Community Buildings Loan Fund, which is administered by ACRE. Loans are available to help local groups renovate, refurbish and construct village halls, community centres and church halls. ACRE similarly manages the Village Hall

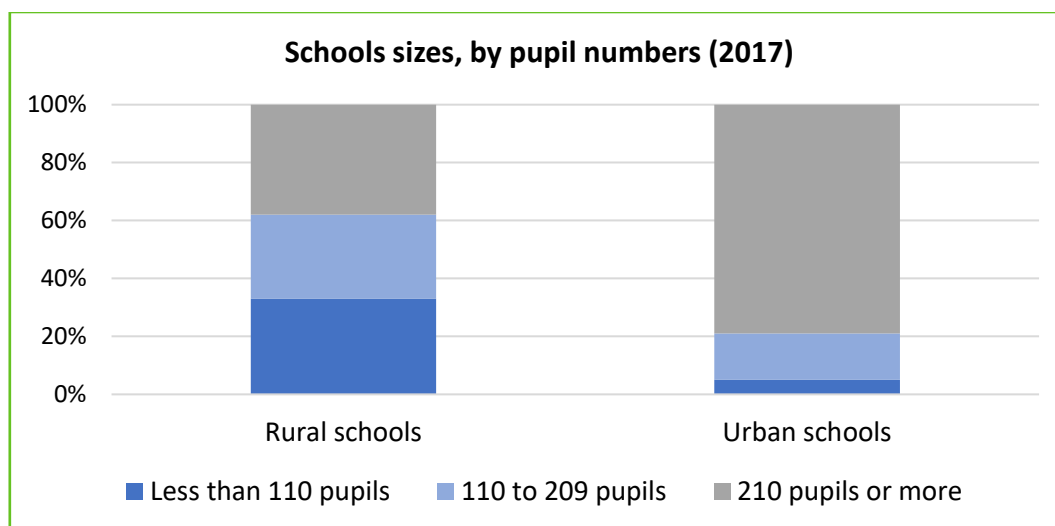
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Improvement Grant Fund, offering match-funding to improve or update halls, so they can be used for activities which impact positively on wellbeing and loneliness, the environment, or the local economy. Other non-Government funding sources also exist.

- Rate Relief Schemes – in settlements with a population below 3,000 small businesses are eligible for Rural Rate Relief where they are the only shop, post office, pub or petrol station. Other businesses (including those in rural areas) with a rateable value below £15,000 will be eligible for Small Business Rate Relief. Village halls receive 80% mandatory rate relief and may be able to seek Discretionary Rate Relief for the remaining 20%.

## The rural dimension

There are around 5,300 schools located in rural areas.<sup>1</sup> They comprise 27% of all schools in England. It is notable that 53% of schools run by the Church of England are located in rural areas. Some 33% of rural schools meet the ‘very small’ definition, with a roll of fewer than 110 pupils.



In 45% of rural schools all classes contain pupils from different age groups (school years). In another 24% of rural schools some classes contain pupils from different age groups.

There are just over 17,000 convenience store shops in rural areas of the UK, the majority located where there are no other shops.<sup>2</sup> These stores provide 127,000 full and part time jobs in rural areas. Typically, they offer a wide range of services to their communities.

<sup>1</sup> *Embracing Change: Rural and Small Schools*, Church of England (2018).

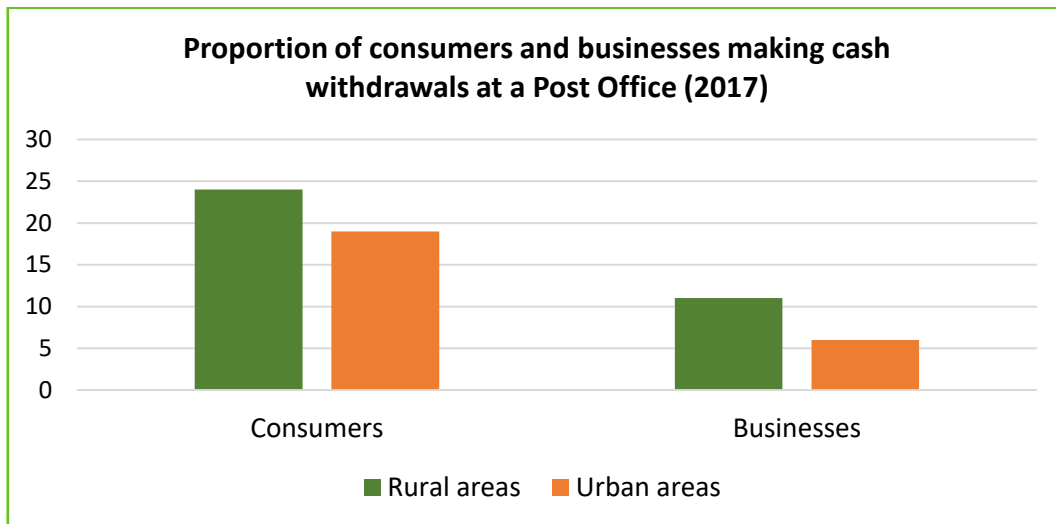
<sup>2</sup> *The Rural Shop Report 2021*, Association of Convenience Stores (2021).



<i>Percentage of rural convenience stores that provide the following facilities:</i>	
Mobile phone top-up	83%
Bill payment services	75%
Cash back	70%
Free to use cash (ATM) machines	49%
A post office counter	28%
Parcel collection point	28%

By the end of 2019, the number of community-run shops in England had risen to 318, the great majority of them in rural locations.<sup>3</sup>

In 2020 there were 4,363 Post Office outlets in rural locations across England. These comprise 49% of all English outlets in the Post Office network.<sup>4</sup> Rural consumers and businesses are significantly more likely than their urban counterparts to make use of a Post Office to access cash (including from a bank account).



<sup>3</sup> *Community Shops: A Better Form of Business*, Plunkett Foundation (2020).

<sup>4</sup> *Post Office Numbers: Briefing Paper*, House of Commons Library (2021).

There are roughly 10,000 village halls or community buildings across rural England, the bulk of which are run as charities by some 80,000 local volunteer trustees.<sup>5</sup> They host:

- Events such as private parties, public meetings and wedding receptions;
- Activities such as fitness classes, dancing lessons and social clubs; and
- Services such as childcare, WI markets and outreach post offices.

78% of these halls are used as a polling station and 75% are used for Parish Council meetings.

Across the country the number of pubs has been in long term decline, though the trend varies considerably between different types of area. Figures for the period 2001 to 2019 show that:

- Those predominantly rural areas with the fastest rate of decline in pub or bar numbers are Selby (-39%), Rutland (-38%) and West Lindsey (-35%);
- Only 15 local authority areas experienced an increase in pub or bar numbers. Of these, 3 are predominantly rural, being West Somerset (25%), Daventry (8%) and South Lakeland (4%);
- A further 11 local authority areas experienced no change in pub or bar numbers. Of these, 5 are predominantly rural.<sup>6</sup>

## Policy solutions

In 2020 with communities living under restrictions and the most vulnerable self-isolating the real value of locally based services and facilities for rural communities seems clearer than ever. Village shops provisioned their communities and many rural pubs offered takeaway meals. At the same time, village halls and sports facilities have been closed for months and many now face financial worry. Government must recognise there is a short-term need to support these facilities to ensure that they can survive until restrictions are relaxed as well as provide them with guidance when they can reopen safely.

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<sup>5</sup> *The Changing Use of Rural Community Buildings*, ACRE (2009).

<sup>6</sup> *Economies of Ale: Changes in the UK's Pubs and Bars Sector 2001 to 2019*, ONS (2020).



## Rural Schools and Community Facilities

### Specific policy asks

**Rural schools:** the revised National Funding Formula (NFF) helps to compensate many rural schools for the relatively high underlying running costs (per pupil) that small schools inevitably face. It should, however, be set to allow for more than minimum staffing levels. A share of the capital funding pot for school modernisation and maintenance projects should be set aside for small schools. They often lose out, with capital spending focused on larger projects at urban schools. Government should support and offer some funding to help collaboration or clustering between small rural schools, so they benefit from shared resources and expertise.

*Since this RSN ask was written the sparsity factor within the NFF for running costs has been increased quite significantly, providing eligible small and remote schools with a more realistic sparsity sum of up to £45,000 in 2021/22.*

**Community enterprise:** Government should incentivise more rural communities to support or manage local services. They should give funding to the advice services provided by organisations such as the Plunkett Foundation and Pub is the Hub, who enable village shops and pubs to survive and to be improved, not least where local communities take over and run them. It is vital that such community groups, often volunteer based, have access to grants to help them with their endeavours, especially where services would otherwise close.

**Village halls:** Government should make some additional grant funding available to the ACRE Network, to enable it to continue providing enhanced levels of support to village hall and community centre committees and trustees as they reopen following Covid restrictions. This could address their now urgent needs, which seem likely to include business planning, fundraising and volunteer recruitment. There is also scope to make small grants available to village halls to help them adapt and grow into multi-use hubs.

**Post offices:** Government should confirm its Network Subsidy Payment for the Post Office beyond 2021/22 and should keep that payment at (at least) its current level. This modest subsidy is vital to sustain otherwise unprofitable post office services in remote rural areas and it recognises their social value. With more bank branch closures planned, it is also crucial to retain the rural Post Office network as a means for rural people to access cash.

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*Related policy asks (including on access to cash) also appear in the chapter on Rural Town Centres and High Streets.*