Rural Lens Review

Indices of deprivation 2025

RURAL SERVICES NETWORK

Published November 2025

Executive Summary

- The Government has published the statistical release detailing the English Indices of Deprivation 2025. Alongside this, a new report, the **English indices of deprivation 2025 : Rural Report** has also been published which documents how rural deprivation was considered in the new indices and sets out recommendations for further development.

- The data continues to be small-area (LSOA) relative measures used widely in Government departments, local authorities, and public-health tools — so the numbers can be used in funding formulas, needs assessments and service targeting.

- Some modest changes to the indices of deprivation have been made to address criticisms of previous versions. These seem to have had only a small effect, increasing the proportion of rural LSOAs that fall into the most deprived deciles. A more noticeable effect has been to move rural LSOAs from least deprived deciles across to middling deprived deciles.

- Overall, there have been small improvements but they will not make a significant difference to policy initiatives and funding allocations which target deprived neighbourhoods.

RSN View

Why it could change policy - the upside

- Official status + timing. The Indices of Deprivation (IOD) are the government's official deprivation measure — that gives the rural report a direct pathway into funding reviews, local government settlement calculations, and departmental needs assessments if ministers choose to use it.

- Rural-specific framing. The report explicitly examines how deprivation manifests in rural settings (remoteness, small pockets, access barriers) and offers targeted recommendations — that in a limited way, helps overcome the long-standing problem of "masked" rural need in higher-level statistics

- Better tools for local actors. Third-party teams (OCSI, Polimapper, local dashboards) have already produced explorers and maps for IOD 2025 which makes it easier for councils, CCGs / ICSs, and charities to argue for changes. Tools lower the transaction cost of using the data.

Why it may not change policy - the limitations

- **The IOD is relative**. For an area to be identified as more deprived, doesn't automatically change any budgets or allocations, unless central funding formulas or departmental allocations explicitly adopt the new indices (or unless a funding review uses them). In short: simply publishing the data doesn't allocate any funding to these areas!

- **Rural population sparsity and masking**. Rural LSOAs are often less populous and fewer in number in the top deprivation deciles (the documents note that only 1.3% of rural LSOAs are in the 10% most deprived), so headline figures can understate pockets of severe need and make it politically easy to deprioritise. That's exactly what the rural report warns about.

- **Methodological trade-offs and weightings.** Domain choices and weightings (income, employment, housing & services, etc.) can counteract rural specific problems such as transport access, broadband, seasonal employment, or dispersed homelessness unless those are explicitly captured and weighted. Policy change requires those features to be reflected in allocation models.

- **Political and fiscal constraints.** Even perfect evidence can be ignored if political priorities or tight public finances push funds elsewhere. News coverage already shows debates over how changes to indices shift funding across regions — the political context matters.

In rejecting the construction of separate urban and rural indices which can reflect their different experiences of deprivation, the report states that *"Current government guidance also emphasises applying rural proofing within national appraisal and allocation frameworks, rather than substituting bespoke metrics that fragment the evidence base"*. **This ignores the fact that in practice, little or no rural proofing of policy or resource allocations actually takes place.**

RURAL SERVICES NETWORK

RSN View

Use of the indices of deprivation in the Fair Funding Review 2.0

The consultation's proposed "Foundation Formula" uses the overall Indices of Multiple Deprivation (IMD) as a single need-driver (population-weighted average IMD score) rather than separately including each of the IMD component domains.

The IMD is built from seven distinct domains of deprivation:

- Income Deprivation
- Employment Deprivation
- Education, Skills & Training Deprivation
- Health Deprivation & Disability
- Crime
- Barriers to Housing & Services
- Living Environment Deprivation

It is possible that the Fair Funding review will use some of the individual elements of the IMD, for example the Income Deprivation Affecting Children Index (IDACI) – which is a subset of the income domain in the IMD may be used in the Children's RNF.

- All seven domains of the Indices are theoretically captured via the overall Indices score, but the consultation only uses the composite Indices value as a driver, not the individual domain scores.

- The small improvements to Indices 2025 will not make much difference to policy initiatives (such as Fair Funding 2.0) which target deprived neighbourhoods. The Government's policy of prioritising "areas of greatest need" and measuring that need through the Indices is a blunt instrument which disadvantages rural areas.

- The seven domains are combined to form the overall composite IMD using a set of domain weights. The greater the weight of a particular domain, the more it is taken into account in the overall IMD. The table below shows the domain weights that were used in both the 2019 Indices and 2025 Indices.

Domain	Domain weights %
Income deprivation	22.5
Employment deprivation	22.5
Education, skills and training deprivation	13.5
Health deprivation and disabilty	13.5
Crime	9.3
Barriers to housing services	9.3
Living environment deprivation	9.3

RURAL SERVICES NETWORK

RSN View

Perceived Urban Focus of the Indices of Multiple Deprivation

The English indices of deprivation 2025: rural report states *"As part of the Indices consultation, a concern was raised of perceived urban focus of the IMD due to the higher weighting assigned to the Income Deprivation Domain and Employment Deprivation Domain, which in combination make up 45% of the total weight…This issue was examined as part of the review of the IoD 2025 statistical methodology, but no strong evidence was found for altering the domain weights. This is in line with previous statistical reviews."*

While we acknowledge the conclusion of the IMD 2025 review that no strong statistical evidence was found to justify changing domain weights, we remain concerned that the current weighting — with Income and Employment Deprivation jointly accounting for 45% of the overall Index — continues to produce an urban bias within the IMD framework.

Rural deprivation manifests differently and is often less visible in income and employment-based data. Many rural households experience in-work poverty, seasonal or insecure employment, and higher living costs, particularly for transport, fuel, and housing. These forms of deprivation are not fully captured by existing benefit or employment-related indicators. Furthermore, lower benefit take-up rates in rural areas, coupled with dispersed settlement patterns, mean that deprivation is frequently masked within otherwise affluent localities and diluted at the LSOA level.

Key drivers of rural disadvantage, such as limited access to essential services, poor transport connectivity, and digital exclusion, are only lightly weighted in the current model, despite being central to rural deprivation. As a result, the IMD risks systematically underestimating rural disadvantage, which has direct implications for funding distribution and policy targeting.

The RSN therefore continue to argue for rebalancing domain weights or introducing rural-sensitive sub-indicators (e.g., cost-of-living adjustments, access to employment and services, digital connectivity). Such changes would improve the IMD's ability to represent both urban and rural deprivation equitably, ensuring that national and local resource allocation reflects the realities of all communities.

The report concludes with some suggestions for using the IMD in a rural context e.g. combining it with local intelligence, and for further analytical development work that could be undertaken to further explore rural concerns. The fact this report was produced and that it makes such suggestions seems like a tacit acceptance that the IMD is not ideal in a rural context.

RSN View

Changes to the IMD from a rural perspective

The report includes challenges and critiques regarding the selection of domains and indicators.

The RSN welcomes interventions such as the following:

Issue

The issue of digital connectivity is acknowledged as a particular challenge in many rural areas for several reasons. With the closure of physical service access points, there may be a greater reliance upon digital services for certain activities including shopping, banking, and other tasks such as claiming social welfare support

IOD 2025 Response

A new indicator on average broadband speed has been incorporated into the Wider Barriers sub-domain of the IoD 2025 to measure digital connectivity.

Issue

The IoD 2019 measured geographical barriers to services with four indicators that were constructed using information on road distances to four key services. However, it has been suggested in the literature that road distance may not be the most appropriate means of measurement in rural areas given that it fails to adequately capture important factors such as car availability and the costs of both transport and service use

IOD 2025 Response

This sub-domain has been fundamentally overhauled for the IoD 2025 and is now based entirely on the recently constructed Department for Transport (DfT) Connectivity Tool. It captures geographical barriers to a wider range of services with greater sophistication.

However, the following comments acknowledge the rural disadvantage in the system, but do nothing to overcome it, leaving the urban bias built into the process.

Issue

The issue of benefit take-up, or rather non-take-up…argued that there is a common culture of independence and self-reliance pervading rural communities, and a stigma surrounding reliance upon government support. These factors have been shown to result in a reduced uptake of welfare support…thereby potentially underestimating the true level of deprivation in some rural area

IOD 2025 Response

We acknowledge there are many reasons why people may not claim the out-of-work benefits to which they might be eligible, and that the potential for take-up may be lower within certain communities. However, any attempts to adjust administrative data-based statistics for differences in take-up would require a number of generalised assumptions to be adopted, which would be impossible to empirically validate and so this cannot be implemented at this time.

Issue

The rural premium refers to the way in which people's expenditure on goods and services can be higher in rural areas due to reduced service availability and accessibility, less choice, and higher transport costs. Rural residents may encounter a higher cost of living (including food, fuel, and childcare costs), and this 'rural premium' can serve to further compound income deprivation

IOD 2025 Response

Although there is evidence from the literature that rural households face additional costs, there is little information available in national administrative microdata (e.g. DWP benefits data and HMRC tax data) to reflect this within the IoD

RURAL SERVICES NETWORK

RSN View

Conclusions

The English indices of deprivation 2025: rural report is necessary but not sufficient. It clears important technical hurdles (it makes rural deprivation more visible in the official indices and offers recommendations), and it creates the opportunity for policy change. Whether that opportunity becomes reality depends on adoption by funding bodies, translation into commissioning practice.

Fundamentally, the conundrum with the IMD will, in the opinion of the RSN, remain unsolved whilst:

- The focus remains upon targeting clusters of deprived areas i.e. with concentrations of deprived households/residents; and
- Government insists on having one England-wide index, rather than separate urban and rural indices which can reflect their different lived experiences of deprivation.

The rejection of the case for creating separate urban and rural indices leaves us with an index whose indicators are selected based on the (80%) urban majority. More specifically rural aspects of deprivation are either given a low weight or even left out altogether.

RSN Ask of Government

The RSN would like to see that wider intelligence and understanding included as part of decisions about allocations of funding above and beyond the indices of deprivation and backs the English indices of deprivation 2025: Rural Report recommendation to:

*"**Combine the Indices with local intelligence.** The Indices provide a consistent national framework, but rural deprivation is frequently characterised by small, dispersed populations and locally specific challenges. Combining Indices data with local knowledge, additional local-level information, and community insights, will improve interpretation and action."*

Otherwise there is a risk that rural areas, with deprivation dispersed across wide geographical areas will be ignored in funding areas and targeted policy support.

This recommendation supports the ask in the RSN campaign 'Delivering for All' which asks Government to use the right measures and insight to understand the policy challenges in rural areas and be able to assess if policy interventions are working.

RURAL SERVICES NETWORK