



Rural Economy Seminar

April 2026

The Rural Services Network



**Membership body of around
450 organisations**

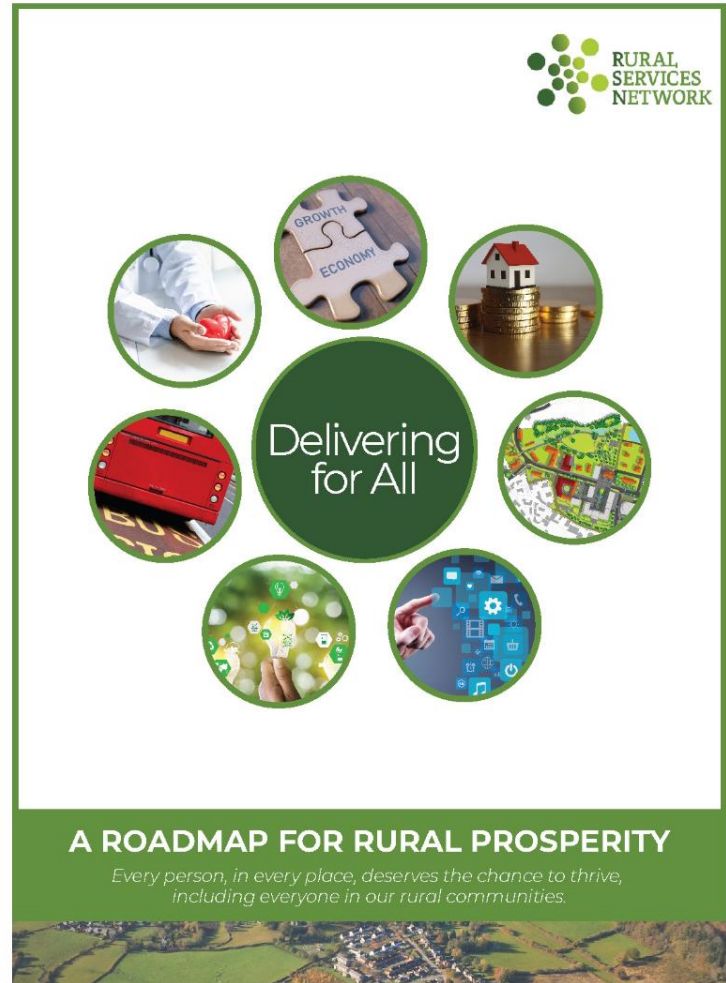
**Special Interest Group of the Local
Government Association**

**National Champion for rural
services ensuring that rural have
a strong voice**

Delivering for All



Three foundations for effective rural policy



**Fairly Funded
Rural Public Services**



**Use of the right
measures & metrics
to understand rural
Challenges**



A Rural Specific Plan

Rural Economy Facts



Wages earned in the rural economy are lower than in urban areas

In 2023, rural areas contributed £259 billion to England's Gross Value Added (GVA), representing 12.2% of the total GVA for England.

Productivity in rural areas is lower than the national average.

Figure B-1: Line chart showing median workplace-based earnings for majority rural and urban local authorities, as defined within the 2021 Rural-Urban Classification, in England, current prices (not adjusted for inflation), 2006 to 2025 (Note B-5)
"Urban" excludes London. Annual gross earnings are presented in thousands.

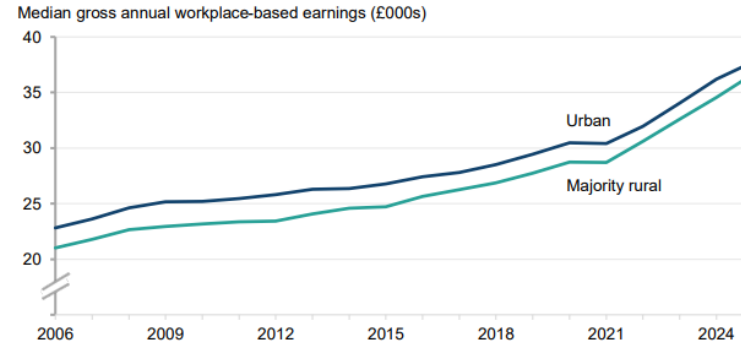
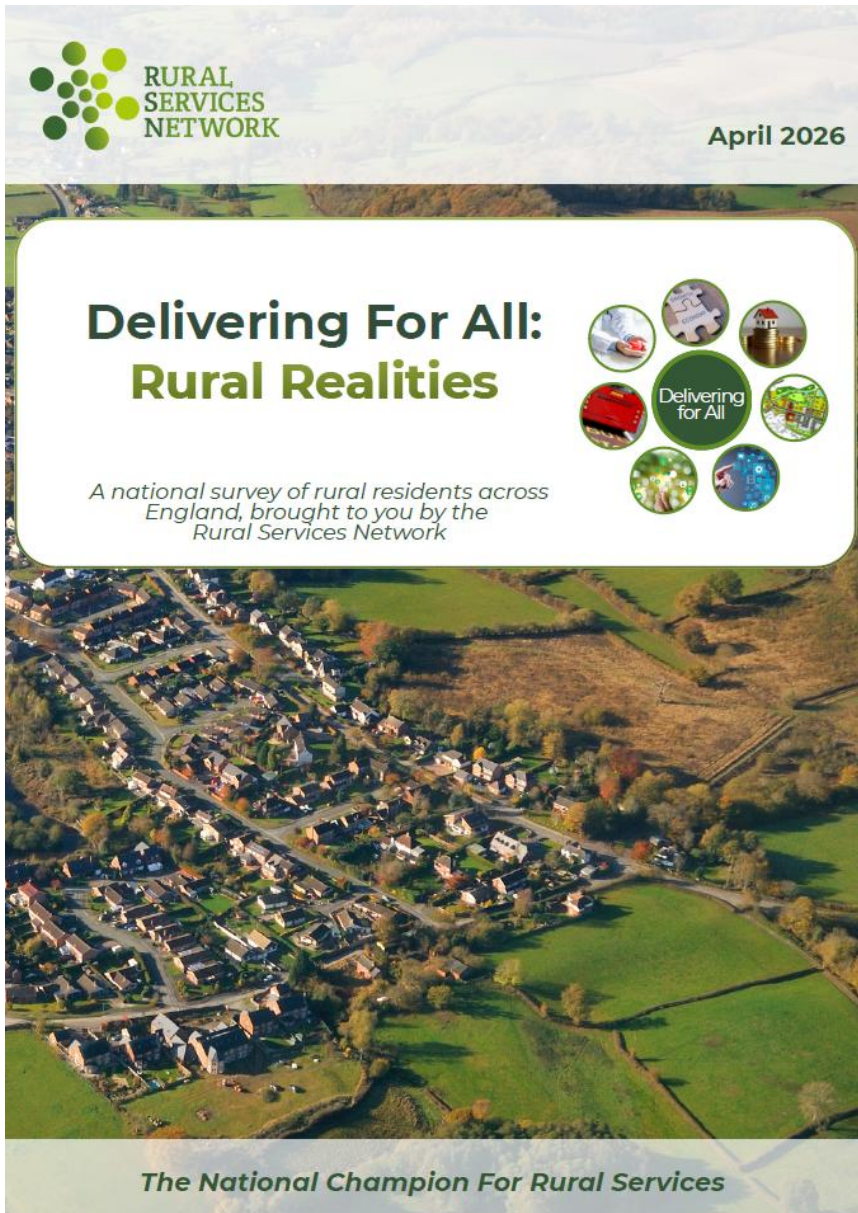


Table E-5: Gross Value Added (GVA) per workforce job (WFJ) as percentage of England level, within each area described in the 2021 Rural-Urban Classification in England, as at 2001, 2011, and 2023

Productivity (GVA per WFJ) has been presented as a percentage of the England total excluding London, creating an index of change; values have been rounded to the nearest 0.1%.

Rural-Urban Classification	2001	2011	2023
Majority rural	96.2	90.6	91.7
Intermediate rural	99.7	95.7	96.8
Majority or intermediate rural	98.1	93.3	94.4
Intermediate urban	105.8	103.0	101.1
Urban (excluding London)	99.5	102.1	102.1
London	145.3	155.1	142.9
England excluding London	100.0	100.0	100.0

Rural Realities



Research report published this week by the Rural Services Network

Gathers together the real life experiences of rural residents across England

Research was a mix of online survey and focus groups on key policy areas

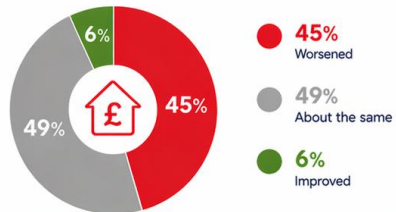
Key findings show that rural residents feel forgotten in national policy development and strategy

Rural Economy – lived experience



1 FINANCIAL SITUATION

Nearly half of respondents (45%) reported that their household's financial situation had worsened compared to a year ago.



Nearly half (45%) of respondents said their financial situation had **worsened**.

WHAT RURAL RESIDENTS TOLD US ABOUT...

RURAL ECONOMY

“Struggling. I think that’s the answer to that.”



“We’re not keeping our youngsters here, we’re just keeping an elderly population. And then the elderly population can’t get around eventually... so we’ve got to keep the youngsters here, we’ve got to make it viable for the youngsters.”



“We are not attracting people who are career-based.”



“Career progression here is very stale. You either sort of move on to develop your own business, if you’re an employee, which is extremely difficult, or you’re waiting for somebody that’s senior to you... to retire, so that they all move up one stage.”



“Any business that is growing has to then move to an area where there’s an industrial estate... which means it’s moving again to a town or city.”



WHAT RURAL RESIDENTS TOLD US ABOUT...

RURAL ECONOMY

“It would have been an additional string to the bow of a local business. But they brought out all sorts of... anything they could think of to actually try and stop it.”



“Their expenses and overheads, particularly, are almost unbearable now.”



“Business rate relief is sort of... seems to be disappearing more... the costs of electricity, gas... water, sewage charges are dramatically increasing all the time. All their overheads are increasing. They struggle to put their prices up because people can’t afford them otherwise.”



“The councils will give you money to fix that thing, right there and then. But they’re not looking at that long-term problem... they’re not looking far enough to the future to develop correctly.”



“If nothing changes, it’s just going to continue to struggle. There will be an economy there, but it won’t be a dynamic economy. There will be more continued drift to the towns and cities.”



“We’re drifting, definitely... we’ve got no outlook for the future.”

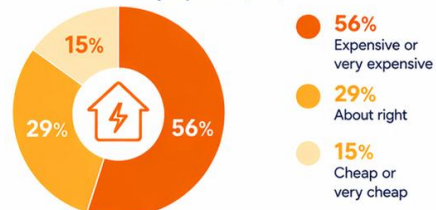


“What is needed is a much more holistic look at the whole thing. It seems as if departments and governments departments almost fight each other, or three doesn’t seem to be joined-up thinking. And there’s no proper, real plan for the rural areas.”



3 HOME ENERGY COSTS

Over half of respondents described their home energy costs as expensive or very expensive (56%).



Over half (56%) of respondents said their home energy costs are **expensive or very expensive**.

Rural Economy – key issues



KEY ISSUES IDENTIFIED

What rural residents told us about rural economy

1

Nearly half of respondents reported worsening household finances over the past year.



2

Rural economies (particularly in the South West) are over-reliant on hospitality and tourism, which offer seasonal, low-paid work with limited career progression.



3

Young people are leaving for towns and cities, creating a demographic imbalance and draining rural areas of energy and skills.



4

Planning restrictions can prevent businesses from diversifying and expanding.



5

Rising costs (energy, water, business rates) are squeezing small businesses, while they struggle to raise prices.



6

There is little joined up thinking between different agencies and government departments on rural economic development.



7

Short-term funding cycles prevent long-term planning and investment.



8

Rural businesses feel forgotten and overlooked compared to urban areas.



9

Lack of infrastructure (transport, drainage, utilities) constrains business growth.



A strong, resilient rural economy needs long-term investment, joined-up policies, and recognition of the unique challenges rural communities face.

Cross cutting issues prevent economic growth



For example...

Businesses cannot recruit skilled workforce, if that workforce cannot afford to live locally, and there are no transport options available for them to access skills, training or employment.

There was a clear and consistent call for more coordinated, long-term planning and a more joined-up approach to supporting rural economies, with policies that better reflect the specific challenges and opportunities facing rural areas.

What is the answer?



www.rsnonline.org.uk/delivering-for-all



A ROADMAP FOR RURAL PROSPERITY

Every person, in every place, deserves the chance to thrive, including everyone in our rural communities.



Key Asks



1. Fair Funding

Ensure that rural areas receive their fair share of support to grow the economy and create a system where decision making and resources are devolved to local areas as far as possible, creating the flexibility for tailored solutions to prioritise and meet local needs and opportunities.

2. Metrics and Measures

Protect rural communities by ensuring that the metrics used to devise strategies or programmes for growth (including skills) are not based on 'one-size-fits-all' thinking but reflect the disadvantage in rural economies within regions.

3. Rural Policy

Deliver a support programme for SMEs and community entrepreneurs in rural areas, especially start-ups and those seeking to grow.

Ensure policy and strategy is Rural Proofed in a way that is meaningful and demonstrable and also includes outcome monitoring. There is now a real case for placing Rural Proofing on a stronger legal footing, in the way that it has been in Northern Ireland.

Provide opportunities for the growth of the green economy and supporting infrastructure, namely the national grid and digital and mobile connectivity.



Everyone deserves the right to contribute to a thriving economy which is critical for national growth. SMEs, community enterprises, and green industries must be supported to unlock rural potential and drive innovation and employment.