



Rural Poverty in Britain

A report by the Labour Rural
Research Group

March 2026

Report sponsored by



www.LabourRuralResearchGroup.com

ACKNOWLEDGMENTS

ACKNOWLEDGMENTS

The Labour Rural Research Group would like to thank the Countryside Alliance for funding this report and supporting the delivery of this work.

We are also grateful to Deborah Mattinson and Chris Clarke for designing and delivering the focus group research, ensuring lived experience informed our analysis and recommendations.

We also thank the individuals, community organisations, charities, local authorities, academics and service providers who submitted written evidence to the inquiry. Their contributions have been central to shaping this report.

We further acknowledge the House of Commons Library for the resources and research support that informed the analysis throughout.

This report was published in March 2026, and authored by Jenny Riddell-Carpenter MP and Leila Poel.

COPYRIGHT © 2026 LABOUR RURAL RESEARCH GROUP

All rights reserved. No part of this publication may be reproduced, distributed, or transmitted in any form, or by any means, including photocopying, recording, or other electronic or mechanical methods without the prior written permission of the authors, except in the case of brief quotations embodied in critical reviews and certain other non-commercial uses permitted by copyright law.

Website: labourruralresearchgroup.com

Email: info@labourruralresearchgroup.com

ABOUT LRRG

ABOUT LRRG

The Labour Rural Research Group (LRRG) brings together more than 40 rural and semi-rural Labour MPs – over 10% of the Parliamentary Labour Party. We represent what has often been described as Labour’s rural wall: communities that have placed their trust in a Labour Government in 2024 to deliver meaningful change.

That trust cannot be taken for granted. Too often, rural communities have been overlooked by successive Governments – assumed to be prosperous, politically peripheral, or resistant to change. The reality is different. Rural poverty is real, structural and too frequently invisible. If it goes unaddressed, it risks deepening inequality, weakening local economies, and eroding political confidence in places where Labour has worked hard to build support.

The distinct challenges facing rural Britain – higher living costs, weaker infrastructure, service withdrawal, housing pressures and economic fragility – require focused attention, not urban policy retrofitted to the countryside. A Labour Government elected on the promise of renewal must recognise that delivering growth, fairness and opportunity in rural areas is not optional; it is central to sustaining a broad and durable coalition of support.

The LRRG exists to ensure that rural voices are heard at the heart of Government. We are committed to developing the research, evidence and policy solutions needed to tackle rural poverty, unlock rural potential and demonstrate that Labour can deliver – not just in cities and towns, but across fields, coastlines and market towns too.

INTRODUCTION

BY LRRG CHAIR, JENNY RIDDELL-CARPENTER MP

Rural poverty is one of the most persistent and misunderstood forms of inequality in the UK today. For too many policymakers, and for too many departments in Whitehall, rurality is a persistent blind spot - rendering rural poverty invisible. Yet for millions of people across our countryside and coastal communities, hardship is not the exception, it is a daily reality.

Around 9.5 million people live in rural England. Headline statistics frequently suggest these areas experience lower levels of deprivation than our towns and cities. The evidence presented to this LRRG inquiry tells a very different story: rural poverty is dispersed rather than concentrated, embedded within communities that often display affluence. As a result, deprivation is masked, mismeasured and ultimately ignored.

In our evidence gathering for this report we heard from sector bodies, local authorities, NHS organisations, academic institutions, national charities, campaign groups, transport operators, rural businesses, individual submissions, as well as our own focus group that brought together people in rural Britain. Their testimonies were consistent and compelling: conventional measures routinely undercount rural hardship.

Area-based indices such as the Index of Multiple Deprivation (IMD) fail to capture the true scale and nature of rural disadvantage. Even the most recent English Indices of Deprivation 2025 Rural Report itself cautions against relying on IMD rankings alone when assessing rural need - because, put simply, it acknowledges the blind spots caused when poverty is conserved through the lens of geography - which statistically dilutes the data and underrepresents the scale and nature of rural hardship.

Rural poverty is driven by the 'rural penalty': the additional costs and structural pressures that make everyday life more expensive and opportunities more fragile outside towns and cities. Households in the countryside face unavoidable car dependency and limited public transport, rising fuel and heating bills, the steady withdrawal of local services, acute housing pressures driven by constrained supply and external demand, insecure and seasonal employment, digital exclusion, and profound demographic change.

These are not isolated challenges; they compound one another. Higher transport costs reduce disposable income, service withdrawal increases travel distances, weak connectivity restricts access to work and support, and insecure employment magnifies financial instability. Over time, this rural penalty ignites costs, erodes resilience, and drives households closer to - or deeper into - poverty. It shapes life chances from childhood through to older age, embedding structural disadvantage in places too often assumed to be prosperous.

This report sets out the evidence in full. It exposes the hidden reality of rural poverty, challenges the complacency of existing measurement frameworks, and advances clear policy recommendations to close the gap. Rural Britain does not need sympathy - it needs structural change. The inequality facing rural communities is not inevitable. It is the product of policy choices, and it can be addressed by better ones.



Jenny Riddell-Carpenter,
MP for Suffolk Coastal

FOREWORD BY TIM BONNER

COUNTRYSIDE ALLIANCE

Rural poverty is not a marginal concern, it is a structural failure hiding in plain sight. The evidence gathered in this report is unambiguous: millions of people across rural England face higher costs, fewer services and less support than their urban counterparts, yet our communities have been consistently overlooked by successive Governments. That has to change, and it has to change now.

The Countryside Alliance has long argued that Government priorities have been shaped overwhelmingly by urban assumptions. Transport investment flows to cities. Health services are centralised away from rural populations. School funding formulas penalise small schools. Housing policy fails to deliver genuinely affordable homes in rural areas. Digital connectivity, increasingly essential to modern life, reaches rural communities last, if at all. This is not the result of geography, it is the result of political choices and political choices can be changed.

What this report makes clear is that those choices carry a real human cost. Rural residents are not asking for special treatment, they are asking for systems that work. A bus that runs reliably. An NHS dentist within reach. Broadband fast enough to run a business. A school that

stays open. These are not luxuries, they are the basic infrastructure of opportunity that urban communities take for granted and which rural communities are consistently denied.

We therefore echo the report's central call for a comprehensive Rural Strategy, one that places social and economic mobility at its heart. For too long, rural policy has been an afterthought, delivered through fragmented initiatives rather than coherent, long-term investment. A genuine Rural Strategy would send a clear signal that this Government understands rural Britain not as a peripheral concern, but as central to national growth and social cohesion.

Rural areas represent enormous untapped economic potential and research suggests that with the right policy framework, rural economies could generate an additional £9–19 billion a year in tax revenue. Getting this right is not just a matter of fairness; it is a matter of the national interest.

That is why we urge the Government to treat the recommendations in this report seriously and to move with urgency. Rural communities have heard warm words before. What they need is action: on transport, on housing, on health, on connectivity and on the funding frameworks that continue to short-change rural schools and services year after year.

The Countryside Alliance welcomes this report and the work of the Labour Rural Research Group (LRRG) in producing it. Cross-party recognition of rural disadvantage is essential if we are to deliver lasting change. The evidence is here. The recommendations are clear. What rural communities need now is for the Government to act on them and to put rural priorities at the centre, not the margins, of its agenda.



Tim Bonner,
Chief Executive,
Countryside Alliance

FOREWORD BY BARONESS MATTINSON

The cost of living remains the top issue for voters everywhere in the UK. 74% now say it is the issue that most concerns them, up a significant 38% since 2021. Almost twice as many put it in their top three issues over health or immigration, important though those issues are. Shockingly, a third of voters say they are 'struggling to cope' or worse still 'not coping at all'.

This last group is disproportionately more likely to come from a rural community. Focus groups commissioned by the Labour Rural Research Group (LRRG) tell a story of extreme hardship, with many forced to cut back on fuel, groceries and more. This much-needed report reports on these grim findings and identifies why rural life can be so much tougher: poor transport connectivity, lack of consumer choice – driven by limited access to budget groceries - lack of availability of adequate public services locally, especially schools and hospitals, all compounded by lower pay and higher housing costs, often inflated by tourism.

In short, people living in rural communities are paying a challenging price penalty, spending significantly more to achieve the most basic standard of living. The LRRG report sets out with clarity that this is the result of long term structural factors embedded in the way services, infrastructure and markets operate outside urban areas.

The LRRG are rightly eager to shine a light on this inequality – awareness is the first step in addressing any problem - but they have also developed a set of well thought-through recommendations, starting with the overarching proposition that the Government should adopt a

Rural Strategy, putting the social and economic mobility of rural Britain at its heart. There are many specific proposals worthy of consideration contained here – and the LRRG reasonably points out that effective delivery offers a clear upside too: if we can access the enormous untapped potential in British rural communities, analysis suggests this could result in billions of additional tax revenue.

July 2024 was a stunning electoral result for Labour, not least in the 40 or so rural constituencies that make up this group. Many new MPs represent constituencies that have never voted Labour before. Those voters turned to Labour because they felt neglected and overlooked. They were right. It is vital that Labour listens and acts now, and this report is a crucial start.



**Baroness Deborah Mattinson,
Labour Peer**

REFLECTIONS AND PRIORITIES FOR GOVERNMENT

INTRODUCTION

Evidence gathered by the Labour Rural Research Group points to a clear conclusion: rural poverty is widespread and embedded in the way national systems operate. It is deeper and more persistent than headline statistics suggest, shaped by service delivery models, infrastructure planning and funding formulas designed around urban patterns rather than dispersed communities. With 9.5 million people living in rural England, this is not a marginal issue affecting a handful of households, but a sustained form of disadvantage rooted in how markets and public policy function beyond towns and cities.

In developing this report, we received evidence from sector bodies, local authorities, NHS organisations, academic institutions, national charities, campaign groups, transport operators, rural businesses and individual contributors, alongside dedicated focus group research with rural residents. Across these diverse sources, the message was consistent: conventional measures routinely undercount rural hardship.

Across every chapter of this report, the same underlying pattern emerges: rural households are expected to travel further, pay more and cope with fewer alternatives, while national systems continue to assume urban density, economies of scale and proximity to services. This is because standard metrics struggle to capture unstable and seasonal employment patterns, incomes that stretch less far due to higher everyday costs, dependency on inefficient transport systems, limited access to genuinely affordable housing, and education and training opportunities that are harder to reach. As a result, the structural challenges facing rural areas are frequently underestimated, meaning need is diluted in official statistics and under-reflected in funding decisions, leaving many communities to navigate economic and social pressures with insufficient recognition or support.

LIVED EXPERIENCE: ISOLATION FROM SYSTEMS

Focus group research conducted exclusively for the report, and delivered in collaboration with Deborah Mattinson, Labour Peer and former Director of Strategy to Sir Keir Starmer MP, reinforces the statistical evidence. Rural poverty was described less as isolation from “places” and more as isolation from “systems” – transport, healthcare, education, housing and digital connectivity. Participants consistently reported that everyday life in rural areas requires more time, more planning and greater expense.

Transport emerged as the central and defining challenge of rural poverty, shaping access to almost every other aspect of daily life. Focus group participants described car ownership not as optional but essential, with unreliable, infrequent and expensive public transport making life without a vehicle “almost unmanageable.” Reliability, more than cost, was the central concern – and its absence compounded other pressures. Access to healthcare was described as significantly more difficult, with long journeys required for hospital treatment and overstretched GP and dental provision felt more acutely because of distance. Education followed a similar pattern: while early years provision was broadly comparable, post-16 options were described as limited and geographically distant, and SEND support consistently harder to secure. Across transport, health and education, the message was consistent – where systems rely on proximity and connectivity, rural families face greater disruption, longer journeys and higher costs simply to access essential services.

On the surface, participants’ cost-of-living concerns mirrored national sentiment: rising prices, tighter budgets and reduced financial headroom. What distinguished the rural experience was not what had become expensive, but the absence of alternatives when costs rose. Therefore, while participants expressed strong attachment to rural life, many felt overlooked by policies built around urban assumptions.

KEY FINDINGS

COST OF LIVING AND THE RURAL PENALTY

- Higher essentials costs are a core driver of rural poverty, not a side issue. DEFRA data shows rural households spend £6 more per week on food and £39 more per week on transport than urban households - adding up to thousands of pounds a year in extra essential spending that erodes disposable income, especially for low and fixed income households.
- Energy costs are structurally higher, particularly off-grid. DESNZ reports a median rural fuel cost of £2,740 compared to £1,978 in London, driven by lower energy efficiency and larger, older homes. Off-grid households face even higher and more volatile costs, with evidence indicating oil heating can be 50–100% more expensive (and electric 250–300% more) than mains gas.

INCOME, HIDDEN POVERTY AND FINANCIAL SECURITY

- Rural poverty is systematically obscured by the way it is measured. The MHCLG's Indices of Multiple Deprivation use of LSOAs creates an averaging effect in dispersed communities, meaning deprivation is frequently masked in official statistics and can be missed by investment and policy targeting.
- Benefit under-claiming is markedly worse in rural areas, deepening "hidden" hardship. Pension Credit non-take-up rises from 35% in urban areas to 42% in rural areas, reaching 54% in villages and hamlets, with evidence also pointing to significant under-claiming in farming communities and fewer statutory services to support access.

EMPLOYMENT, WORK AND RURAL ECONOMIES

- Employment looks strong on paper but is increasingly insecure in practice. Evidence points to a labour market shaped by seasonal work, underemployment and in-work poverty, with growth concentrated in tourism, hospitality and social care which are often low paid, with variable hours and limited progression.
- Rural earnings lag while costs run higher, and the consequences are a growing "youth drain." Average earnings in rural areas (£34,600) are lower than urban areas outside London (£36,200), despite higher essentials costs. Evidence suggests over a third of rural residents may consider leaving, and two-thirds of 18–24s are considering moving away because of a lack of opportunity, weakening local labour supply and resilience.

EDUCATION, SKILLS, SEND AND LIFE CHANCES

- Funding frameworks disadvantage rural pupils and schools at scale. Evidence highlights major disparities in per-pupil funding, including up to £5,700 less per pupil in DSG funding in some areas, and SEND High Needs allocations ranging from £999 to £3,831 per pupil, locking in historic inequities that often hit rural and coastal areas hardest.
- Post-16 access and SEND support are "harder to reach" and "harder to staff." Focus group evidence and submissions describe thin, fragmented post-16 options, long travel distances, and specialist shortages (such as educational psychologists), producing longer waits and forcing families into hours-long journeys, a structural barrier that shapes life chances and accelerates skills drain.

HEALTH, DISABILITY, ISOLATION AND MENTAL WELLBEING

- Distance, centralisation and staffing gaps translate into worse access, especially beyond GP care. Evidence describes “distance decay” in service use, long journeys to hospitals and specialist services, and particular difficulty accessing dentistry and mental health support - made substantially worse where transport is limited or unreliable.
- Isolation is a major driver of poor mental health, particularly in farming communities. Survey evidence from RABI and the NFU suggests 36% of people in agriculture may be experiencing mental ill health, with over 90% of farmers identifying it as a major hidden issue. This underlines the need for rural-specific, outreach-based support.

CRIME, SAFETY AND COMMUNITY RESILIENCE

- Rural crime is under-recognised and under-measured, allowing serious organised theft to expand. With no formal definition and inconsistent recording, rural areas are treated as low-risk despite evidence of professionalised theft targeting farms and rural businesses; the NFU estimates stolen agricultural vehicles worth £7m in 2024, with tractor thefts up 17% year-on-year.
- Under-policing and under-reporting reinforce a cycle of neglect. Countryside Alliance survey evidence suggests 32% of rural crimes go unreported, often due to lack of confidence in police response; and domestic abuse is reported to last 25% longer in the most rural areas, with isolation and transport barriers making support harder to access.

THE CONNECTIVITY DESERT

- The rural–urban digital divide remains large and consequential. DEFRA data cites average rural download speeds of 51 Mb/s compared with 84 Mb/s in urban areas, alongside Ofcom evidence that full-fibre access is materially lower in rural places - limiting employment, education and service access as more systems move online.
- Connectivity gaps compound every other inequality and weaken rural economic potential. Evidence shows rural residents are increasingly expected to rely on digital alternatives where physical services are withdrawn, yet connectivity is unreliable or expensive. NFU survey evidence highlights the business impact: 97% say mobile signal is important, but only 54% say coverage is sufficient. This fundamentally limits rural productivity and resilience.

CONCLUSIONS

The evidence gathered throughout this report makes clear that rural disadvantage is not simply a natural consequence of geography, but the product of policy choices – in how need is measured, how services are funded and how infrastructure is prioritised. Rural communities are not asking for exceptionalism; they are asking for systems that function effectively in the places they live.

The LRRG has therefore set out 24 recommendations centred on a comprehensive Rural Strategy that addresses root causes rather than symptoms of hardship; going beyond isolated interventions or “rural add-ons”. Tackling rural hardship requires reforms in how government measures need, funds services and designs policy. That means recognising and reducing the rural penalty through targeted intervention which alleviates transport and energy costs, ensuring benefit and employment support reflects seasonal and fluctuating incomes, and embedding rural realities into national strategies for health, development, high streets and economic growth. It also requires fairer education funding, stronger protection for affordable housing, sustained investment in energy efficiency, a clearer focus on rural crime, and treating digital connectivity as essential infrastructure. In short, rural disadvantage will only narrow when national systems are deliberately designed to work beyond cities as effectively as within them.

Without coordinated, cross-government reform, rural communities will continue to face higher costs, fewer options and weaker service access. With the right strategic choices, rural Britain can play a fuller role in the country’s future prosperity. By reducing structural barriers and investing in the assets already present, such as resilient communities, skilled local businesses, market towns, natural capital and strong civic networks, rural areas can retain young people, strengthen productivity and contribute meaningfully to sustainable, inclusive growth. When national systems are designed to reflect the realities of rural life, the benefits extend beyond the countryside and support the country as a whole.

Read the full report at
labourruralresearchgroup.com

SUMMARY OF REPORT RECOMMENDATIONS

COST OF LIVING AND THE RURAL PENALTY

- 1. Policymakers must confront a simple truth: rural hardship is real, widespread, and structurally different from urban poverty.** The rural penalty — the unavoidable extra costs of living outside major towns and cities — drives households closer to the edge. Transport dependency, service withdrawal, fuel costs, housing pressures and digital gaps inflate everyday expenses and limit opportunity.
- Government and policymakers must acknowledge and accept this blind spot, and then work with policy experts, charities and rural groups to tackle the causes of rural poverty at its roots. **Developing a comprehensive ‘Rural Strategy’ with social and economic mobility at its core is critical.**
- 3. Transport accessibility must carry greater weight in policymaking.** Metrics should include transport costs as a percentage of household income, service frequency, waiting times, reliability, and journey times — capturing transport poverty’s multiplier effects.
- 4. Rural public transport requires long-term, stable funding, with capped fares covering complete journeys.**
- 5. Fuel poverty interventions must be targeted at off-grid homes,** including extended energy support and social tariffs.
- 6. Government should work with the big six supermarkets to introduce a “Rural Basket Delivery Guarantee”,** ensuring rural food and retail deserts are covered by delivery services. Low-income rural households must be able to access the same affordable supermarkets and price deals as their urban neighbours.

INCOME, HIDDEN POVERTY AND FINANCIAL SECURITY

- 7. Rural poverty is routinely misrepresented by spatial aggregation.** Smaller geographic units — such as parishes and Output Areas — must be used, with variability measures within areas (including educational isolation).
- 8. The Rural Strategy should prioritise benefit uptake and financial support in rural communities,** working through farming networks, charities, churches and trusted community anchors.

EMPLOYMENT, WORK AND RURAL ECONOMIES

- 9. The Government’s 2026 High Street Strategy must include an explicit rural focus.** Market towns and rural centres face structural challenges that, if ignored, will further restrict employment. This strategy is a critical opportunity to provide targeted support to rural businesses facing higher operating costs.
- 10. In-work support must reflect fluctuating and seasonal incomes common in rural economies.** The DWP’s JobsPlus model — a community-led employment programme delivering tailored support and incentives — should be adapted for rural Britain. Employment, careers advice and financial guidance must be taken out of Jobcentres and into communities, working through farming groups, rural charities, church networks and local anchors.

EDUCATION, SEND, SKILLS AND LIFE CHANCES

- 11. The National Funding Formula must be amended to ensure fair distribution of school and SEND funding.** Historic proxy factors that entrench funding inequities must be removed, and schools given greater flexibility in how resources are deployed.
- 12. Declining pupil numbers in some rural primary schools present an opportunity.** Surplus capacity should be used to create dedicated SEND provision within existing buildings. Schools should be supported to bid for funding to establish in-house SEND units. This is a time-limited opportunity and requires urgent planning.

HOUSING, ENERGY AND LIVING ENVIRONMENT

- 15. Rural Exception Sites should be expanded to deliver genuinely affordable homes for local people.** These small sites on the edges of settlements provide additional affordable housing outside local development plans and are essential to sustaining communities.
- 16. Government must address the practice of social housing providers selling rural stock** – often to fund urban development – which compounds rural housing shortages.
- 17. Investment in rural retrofitting and energy efficiency programmes is essential** to close the widening energy performance gap between rural and urban homes.

HEALTH, DISABILITY, ISOLATION AND MENTAL WELLBEING

- 13. Rural areas must be prioritised in the rollout of the new Neighbourhood Health Service.** This is an opportunity to fundamentally redesign healthcare delivery – bringing services closer to home rather than relying on distant, urban hospitals.
- 14. Mental health provision must move beyond hub-based models.** Rural delivery should include outreach and mobile services, telephone and digital support (with recognition of connectivity gaps), and extended opening hours. A 9–5 model does not reflect the realities of farming, care work, retail, tourism and other rural employment patterns.

CRIME, SAFETY AND COMMUNITY RESILIENCE

- 18. Tackling rural crime must be embedded within a Rural Strategy,** with improved reporting and data collection at its core.
- 19. Modern technologies – including drones – should be deployed to improve policing response times in hard-to-reach areas.**
- 20. Victim support services must be accessible in rural communities,** with targeted domestic abuse pilots working through community groups, church networks, charities and local partners to reach isolated victims.

THE CONNECTIVITY DESERT

21. **Connectivity must sit at the heart of a Rural Strategy.** Without it, economic growth and service access will remain constrained.
22. **Government should establish a Great British Rural Connectivity Taskforce,** modelled on Ireland's National Broadband Initiative, bringing together providers, local authorities and technology experts to coordinate delivery and investment.
23. **Satellite technology programmes – including those such as Amazon's LEO systems and other providers – could be transformative for rural Britain.** Government must support adoption while ensuring affordability, accessibility and targeted rollout to communities most in need.
24. Government must **set a clearer definition of what constitutes high quality 5G (5G SA) in practice,** to ensure that headline coverage measures match the experiences of rural customers.

APPENDIX: CALL FOR EVIDENCE RESPONDENTS

- Devon County Council
- Cornwall County Council
- Ribble Valley Borough Council
- North Yorkshire Council
- Ribblesdale Primary Care Network
- Durham Community Action
- Rural Community Action Nottinghamshire
- West Devon Community and Volunteer Service
- Action for Communities in Rural England (ACRE)
- Countryside Alliance
- The Campaign to Protect Rural England (CPRE)
- National Farmers Union (NFU)
- Royal Agricultural Benevolent Institution (RABI)
- Stagecoach
- Transport East
- The Fabian Society
- Citizens' Advice
- Poverty Alliance
- Marjon University
- Professor Mark Shucksmith
- Countryside and Community Research Institute (CCRI)
- J. Yorke (Tewkesbury)
- P. Wilitts (Northumberland)
- C. Blades (Scarborough)
- C. Struthers (Hebrides)



Rural Poverty in Britain

COPYRIGHT © 2026 LABOUR RURAL RESEARCH GROUP

Website: labourruralresearchgroup.com
Email: info@labourruralresearchgroup.com