

17th March 2022

By email

Dear Secretary of State

Global fuel costs and rural communities

The Spring 2022 crisis in global energy supplies and market prices is having a specific and potentially damaging impact on the 17% of the population that live in rural areas and on the rural economy.

Whilst this affects everyone in rural areas, it is being felt most by people on low incomes who are already at risk of fuel poverty. The key reasons for this are:

- People living in rural areas must travel further to access many essential services and are therefore feeling the impact of increased road fuel prices. This impact is being felt immediately by individuals and families who have no choice but to use private transport; those reliant on bus services will soon have these increased costs passed on to them.
- Public services delivered to rural people eg. domiciliary care, health visitors, deliveries to small rural retail outlets etc. will soon feel the impact on operational budgets of steeply rising travel costs. These will not have been allowed for in budgets set by Local Authorities, NHS etc..
- Over a million rural people heat their homes with heating-oil and costs have increasing by more than three times since the same period last year. Interventions to help people whose homes are heated by gas and electricity will not reach these rural residents. Volatility in this market leaves residents with little choice over the price that must be accepted when re-stocking is required.

The impact on the wider rural and land-based economy of steeply rising market pricing for fertiliser, substrates, energy and commodity agricultural products could be significant and long term. However, it is the immediate pressure on low-income rural households, arising from short term fuel price pressures, that needs urgent action.

We are confident that Government will want to mitigate the impact of fuel poverty on all low-income UK households, and that this will form a part of the Chancellor of the Exchequer's Spring Statement. We urge that whatever form this intervention takes it is applied differentially to ensure that those living in rural areas are supported in proportion to the impact upon them:

- An intervention that supports only those who heat their homes with mains gas or electricity, but not heating oil, would be inequitable and hard to justify.
- Those living at a distance from main urban centres have travel costs that are greater than those who have close and easy access to town-based, public and

commercial services. This should be reflected in any initiative to manage either price or availability of road fuel.

- Funding of public services from April 2022 will need to reflect the additional cost that will be incurred in reaching rural residents if services are not to be cut to make up the shortfall.

ACRE is a Network of 38 local charities that support people living in rural communities, and especially people and families who are most at risk of disadvantage from their rurality. Our Network is in regular contact with England's c. 10,000 small rural communities where 17% of the population live.

Yours sincerely

David Emerson CBE, Chair of Trustees, ACRE

cc. The Chief Secretary to the Treasury, HM Treasury
Minister of State for Energy, Clean Growth and Climate Change
Rural Affairs Minister, DEFRA

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