Rural Community Network

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Department of Finance

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Dear Sir/Madam,

RE: Draft Budget Consultation 2026 to 2029/30

About Rural Community Network

Rural Community Network (RCN) is a regional membership-based organisation committed to enabling and sustaining positive change in rural communities throughout Northern Ireland[i].

We champion the principles of social justice, self-determination and inclusive participation. Through a community development approach, we amplify rural voices, influence public policy and promote equitable and peaceful rural places.

RCN has over 200 member groups across rural Northern Ireland, representing thousands of rural residents. Our Board is representative of our membership base. Our 2025–2030 Strategic Plan prioritises:

- Empowered Rural Community Voice
- Strengthened Community Development
- Equitable and Peaceful Rural Communities

As a membership-based organisation representing over 200 rural groups, we ask that due weight be given to this response in recognition of the breadth of rural communities whose experiences inform it.

It is important to note that Northern Ireland is predominantly rural in character. Approximately 39% of the population lives in rural areas[ii], and around 79-80% of the landmass is classified as rural[iii]. Rural areas have a higher proportion of older residents, with ageing trends more pronounced than in urban centres[iv]. Rural households are more likely to be reliant on private transport[v], heating oil[vi], and face digital connectivity gaps[vii]. These structural realities carry cost implications that must be reflected at Budget-setting stage.

Capacity Constraints

We note the significant volume of live consultations currently underway across multiple departments. The cumulative burden places particular strain on small voluntary and community organisations, limiting the depth of analysis possible within tight timeframes.

RCN appreciate the opportunity to engage directly with officials and in turn, to provide the following focused observations.

Rural Voice, Inclusion and Consultation

Given the rural context in Northern Ireland, ensuring meaningful engagement across dispersed communities is essential to achieving inclusive policy development.

For consultation to be meaningful, rural communities must see their lived experiences reflected in final policy decisions. This requires transparent feedback mechanisms and visible evidence of rural impact consideration.

Participatory approaches, particularly those embedded within wellbeing frameworks, provide an opportunity to bring the public along on the journey of reform. A participatory ethos strengthens legitimacy, improves policy design and supports long-term delivery.

Rural Needs Act Compliance and Budget-Level Decisions

We are concerned that there is, yet again, no overarching Rural Needs Impact Assessment (RNIA) accompanying a Draft Budget.

While we recognise that individual departments will undertake RNIAs once allocations are confirmed, the decision to allocate funding envelopes to departments is itself a strategic policy decision within the meaning of the Rural Needs Act (NI) 2016[viii]. It engages the Act and the "due regard" principle[ix] contained within it. Indeed, you have recognised this principle[x] through completion of an Equality Impact Assessment for this budget and one which we note does mention rural.

The first Judicial Review relating to the Rural Needs Act in Northern Ireland (*Mid-Ulster District Council-v- Department for Communities*[xi]) made clear that high-level budgetary decisions fall within the scope of the Act where they materially affect rural communities. The Department

took a decision to cut the rate support grant budget and then allocated it with rural needs in mind by way of a funding allocation formula that incorporates sparsity and rurality. It appears they thought they were protected due to the presence of the rural proofed funding formula, but the initial decision to cut the budget was made before the allocation and no RNIA had been carried out. The Court found the Department had breached Section 1 (1) of the Rural Needs Act (NI) 2016 and issued a Declaration of Unlawfulness[xii]. That judgment emphasised that due regard must be given at the earliest stage of policy formation - not deferred to later implementation stages.

We therefore urge the Department to exercise caution and ensure demonstrable compliance with the Rural Needs Act at Budget-setting stage.

Observations on Departmental Allocations

Recent media reporting suggests reductions to certain departmental allocations[xiii], including DAERA and the Department of Finance. We raised during the consultation meeting the parallels between such strategic reductions and the recent legal challenge on the Rural Needs Act framework.

Whilst any reduction in budget can be explained, the linkage between a reduced budget to a rural department, for example, requires careful rural impact consideration. A reduced envelope for departments whose remit disproportionately affects rural areas must be explicitly rural-proofed.

Rural Lens Observations on the Draft Budget

RCN highlights the following rural-focused concerns about the Draft Budget 2025–26:

1. **Improvements should be made to the information provided about the draft Budget allocations**
   The continued publication of only headline Departmental allocations disproportionately disadvantages rural stakeholders. Rural communities and service providers need programme-level detail to understand how funding decisions will affect geographically dispersed populations.
   The January Budget document provides extensive contextual narrative but limited clarity on how allocations will impact specific rural services - such as rural transport, community health provision, wastewater infrastructure in small settlements, or rural childcare. The inconsistency across Departments compounds the difficulty in assessing rural impacts.
   It would also be helpful to see comparisons not only with 2024–25 original allocations but with final plan figures, including in-year additions. Rural services are often sustained by in-year monitoring rounds and non-recurrent funding; without visibility of final plan comparisons, the true baseline for rural provision is obscured.

2. **Weak link between the Draft Budget and the Programme for Government**
   Budget decisions should clearly reflect the priorities in the Programme for Government (PfG). From a rural perspective, there is limited evidence that commitments relating to regional balance, tackling rural disadvantage, or infrastructure deficits are being

prioritised.
While allocations for housing, water infrastructure and childcare are welcome, there is insufficient clarity on how these address specific rural pressures such as wastewater constraints in small settlements, rural housing supply, or childcare deserts.

3. **Public sector pay awards absorb most additional funding**
Absorption of most additional funding into public sector pay awards leaves little scope for rural service enhancements. Rural communities risk maintaining a "managed decline" position - funding levels that prevent collapse but do not address deficits in access, connectivity, transport, or healthcare capacity.

4. **The cliff-edge in 2026–27 needs resolution**
The projected £520m reduction in 2026–27 presents an acute risk to rural provision. Rural services and Community and Voluntary Services are often first to be rationalised when budgets tighten due to higher per-capita delivery costs. Without intervention, this could accelerate:

    - Centralisation of services into urban hubs
    - Closure or reduction of rural facilities
    - Reduced maintenance of rural infrastructure
    - Increased reliance on voluntary/community sector to fill gaps who are already operating on shoe string budgets and on 6 month contracts- in complete contradiction to the principles of the Partnership Agreement[xiv].

5. **Focus on maximising available funding**
While funding debates continue, RCN urges prioritisation of efficiency and transformation. For rural Northern Ireland, this includes:

    - Smarter co-location of services in rural hubs
    - Greater cross-department integration
    - Digital innovation adapted to low-connectivity areas
    - Early intervention to reduce long-term crisis spending
    - Value for money reviews (see below)

6. **Public services as currently configured are unaffordable for rural areas**
Legacy centralised models result in high travel costs, service duplication, and reactive interventions. Transformation should consider rural delivery models that are decentralised, digitally supported, community-integrated, and preventative.

7. **Transformation needs to be mainstreamed, with a rural dimension**
Reform and transformation must be embedded across all Departments, including rural-focused measures such as:

    - Community health models reducing travel to acute centres
    - Sustainable rural transport integration
    - Cross-department rural service hubs

- Early intervention in isolated communities
- Use of technology and AI where connectivity allows

8. **Rising demand pressures in rural areas**
   Rural areas face ageing populations, higher long-term health needs, and infrastructure gaps, amplifying cost pressures. Without service redesign, rising demand will disproportionately reduce rural access.

9. **Accumulating budgetary risks**
   Emerging financial risks (e.g., PSNI data breach, pension obligations, social security policy divergence) threaten already tight rural budgets. Explicit rural impact assessment is needed to avoid unintended consequences.

10. **Local revenue raising must be rural-proofed**
    Rural households face higher transport, fuel, and connectivity costs. Any revenue proposals should undergo Rural Needs, Equality, Poverty and Health assessments to avoid disproportionate burdens while ensuring resources can sustain rural services.

11. **Water and wastewater infrastructure**
    In many rural settlements, housing growth and economic expansion are stalled by insufficient wastewater capacity. Without substantial capital investment, rural economic development and population retention are at risk.

12. **Economic growth must include rural areas**
    Targeted investment is needed in:
    - Rural skills and apprenticeships
    - Digital infrastructure
    - Sustainable tourism and heritage
    - SME support and agricultural diversification
    - Tackling rural economic inactivity

Response to Core Consultation Questions

1. Do you agree with the prioritisation of funding within the Draft Budget?

While acknowledging severe fiscal constraints, the Draft Budget does not sufficiently reflect:

- Additional per capita costs in dispersed rural areas
- Demographic pressures including ageing populations
- Infrastructure deficits unique to rural communities

Specific gaps include:

- Health allocations not addressing distance, transport gaps, digital exclusion
- Infrastructure investment lacking explicit rural proofing
- Short-term, precarious community and voluntary sector funding

Recommendation: Apply explicit rural weighting to both resource and capital allocations.

2. What services or outcomes should be prioritised?

Accessible Healthcare

- Workforce planning to reduce reliance on locums and banking staff
- Protection of emergency and urgent care, including at South West Acute Hospital
- Rural GP recruitment and retention
- Community-based multidisciplinary teams
- Non-emergency patient transport
- Support to C&V sector who are plugging service provision gaps rurally.

Poverty

- Ring-fenced collaborative anti-poverty funding
- Continued support/funding for Mitigation Package
- Address transport costs, fuel poverty, and access barriers in dispersed communities

Rural Transport and Connectivity

- Subsidised community transport as statutory service
- Demand-responsive transport models
- Rural road maintenance
- Broadband and mobile not-spot elimination

Affordable Rural Housing

- Small-site social housing schemes
- Renovation of vacant/derelict stock
- Wastewater infrastructure to unlock housing growth

Rural Economic Development

- Support for micro-businesses, self-employed workers, enterprise hubs
- Agricultural transition and diversification support

Community Infrastructure

- Multi-annual funding for voluntary/community sector
- Investment in shared spaces and volunteer-led service delivery

3. Are there services that could be reduced?

We do not support further withdrawal of services from rural areas.
Instead, focus should be on:

- Service integration and co-location
- Cross-department commissioning such as the model that funded shaping sustainable places 2025
- Digital-first or mobile service options where infrastructure and capacity allows

4. Should cost recovery or revenue raising be explored?

Revenue-raising measures must be rural-proofed and avoid disproportionate burden on households or small businesses. Assessments should include Rural Needs, Equality, Poverty, and Health lenses.

Additional Strategic Considerations

Rural Proofing Must Be Embedded

- Demonstrate compliance with Rural Needs Act (NI) 2016
- Publish rural impact alongside allocations
- Recognise structural cost of rural service delivery

Multi-Year Stability

- Multi-annual funding essential for community/voluntary sector and strategic planning. RCN are currently operating on a 6 month budget- this isn't good for staff morale, planning ahead and service provision.
- Six-month funding cycles undermine continuity and delivery.

Preventative Investment

- Early intervention, community wellbeing, preventative healthcare, youth services
- Reduces long-term crisis costs, particularly in rural areas

Mission-Led Governance and Wellbeing Frameworks

- Leadership and cross-department collaboration critical
- Adopt wellbeing-oriented, place-shaping metrics
- Build participatory approaches into Budget framework
- Use examples such as Shaping Sustainable Places consultation to inform future practice

Strategic Summary Position

RCN recommends the Draft Budget:

1. Applies rural weighting to allocations
2. Protects frontline rural access to health, education, transport, Just Transition and housing
3. Embeds multi-annual funding certainty for community infrastructure
4. Avoids disproportionate cost-recovery burdens on rural households
5. Demonstrates transparent rural impact assessment at Budget-setting stage
6. Adopts a mission-led, wellbeing-oriented framework that strengthens cross-departmental accountability and rural place-shaping
7. When considering value for money- focus internally first.

Yours sincerely

Samantha Gallagher

Policy & Research Manager

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[i] Home - Rural Community Network
[ii] DAERA Statistical Review 2023
[iii] DAERA Draft Audit of Inequalities 2021-2025_0.PDF
[iv] CT0158 Broad age band by Urban Rural | Northern Ireland Statistics and Research Agency
[v] Key Rural Issues publication - 2021 | Department of Agriculture, Environment and Rural Affairs
[vi] Oil central heating remains the primary heating source for over 60% of households | Northern Ireland Statistics and Research Agency
[vii] Connected Nations Northern Ireland report 2025
[viii] Rural Needs Act (Northern Ireland) 2016
[ix] ECNI - R (Brown) -v- Secretary of State for Work & Pensions & the Secretary of State for Business, Enterprise and Regulatory Reform [2008]
[x] Ibid
[xi] IN THE HIGH COURT OF JUSTICE IN NORTHERN IRELAND
[xii] IN THE HIGH COURT OF JUSTICE IN NORTHERN IRELAND
[xiii] https://www.ft.com/content/0446a752-8063-400e-bd08-b68f98a839dc?utm_source]
[xiv] Partnership Agreement between Government and the Voluntary and Community Sector in Northern Ireland | Department for Communities