

## OVERVIEW

- [Housing](#) stock is not just an issue in towns and cities. Many rural areas are also suffering from a lack of housing, especially affordable housing. We welcome the Government's continued investment in housing and especially affordable housing, but we encourage the Government to recognise rural need when allocating funding.
- Last year's Rural [Crime](#) Survey revealed that 47 per cent of respondents did not believe the police take rural crime seriously, and 38 per cent said that they have had a crime committed against them in the previous 12 months. We welcome the recruitment of additional police officers but would expect a fair proportion of these additional officers to be deployed in rural forces, and we continue to call for the police funding formula to be reviewed to reflect the unique nature of policing in rural areas.
- The continued investment in [digital connectivity](#) through Project Gigabit and the Shared Rural Network is to be welcomed but continued poor connectivity in rural areas represents a huge missed opportunity for economic development. The rural economy is already 16 per cent less productive than the national average, but has such big potential with more people working from home and opting for flexi-working. If you were to level up the countryside by delivering connectivity the economy has the potential to grow by up to £43bn in England alone.
- [Business rates](#) are viewed by many as an archaic system and remain a source of grievance for many rural businesses, particularly with the growth of online retailing. We welcome recognition in the budget of their negative impact on small businesses, high streets and the retail and hospitality sector but remain convinced of the need for a full-scale overhaul.
- We welcome support for [pubs and alcohol duty](#) reform, as well as the continued freeze on duty rates and the new lower rate on draft beer and cider. We would encourage the Government to consider further the impact of VAT on hospitality businesses and would advocate a continuation of previous VAT reductions.

## Housing

### Budget announcements:

- Building on existing commitments, the Budget confirms an additional £1.8 billion of spending towards a nearly £24 billion multi-year settlement for housing.
- The figure includes up to 180,000 affordable homes through investment of £11.5 billion in the Affordable Homes Programme, with 65 per cent of funding for delivery outside London.

### **Countryside Alliance position:**

We welcome the Government's continued investment in housing and especially affordable housing, but we recognise that there is a particularly acute need in rural areas and would encourage the Government to recognise this when allocating funding across the country.

- The need for more housing stock is not just an issue in towns and cities. Many rural areas are also suffering from a lack of housing, especially affordable housing. That shortage is one of the greatest challenges for communities across the country, including in rural areas.
- It is vital that the planning system is efficient and planning policies achieve a balance between delivering sustainable housing development, supporting local businesses, and protecting the amenity of the countryside.

## **Crime**

### **Budget announcements:**

- The Budget funds the recruitment of the final 8,000 police officers to reach the commitment to recruit 20,000 new officers by 2023.
- It also includes almost £650 million additional funding by 2024-25 to manage the increased number of offenders being brought to justice, plus almost £500 million over the next three years to address the courts backlog and start to reduce the waiting times caused by COVID-19.

### **Countryside Alliance position:**

We welcome the fulfilment of the Government's commitment to recruiting an additional 20,000 police officers, but we continue to call for the police funding formula to be reviewed to reflect the unique nature of policing in rural areas, and to take into account the cost of delivering services in sparsely-populated areas.

- Crime has always been a key issue throughout the countryside, but this has only risen up the national agenda over the last few years, thanks to a growing awareness of the problems rural communities are facing. However, this increased awareness is often not felt by the communities that live and work in the countryside.
- The Countryside Alliance is currently undertaking its 2021 Rural Crime Survey. Last year's survey revealed that 47 per cent of respondents did not believe the police take rural crime seriously, and 38 per cent said that they have had a crime committed against them in the previous 12 months.
- Crimes recorded as the most frequently committed in rural areas include fly-tipping, agricultural machinery theft and trespass (which is not criminal in itself unless aggravated), with respondents wanting the police to prioritise tackling these crimes.
- The survey also showed a serious problem of crime being underreported in rural areas, with one in four not reporting crime committed against them. Reasons for not reporting crime included believing it would be a waste of time or that the police would not be able to take action.

## Digital Connectivity

### Budget announcements:

- The Government has confirmed the investment of £1.2 billion from 2021-2022 to 2024-25 of the £5 billion Project Gigabit which aims to support the rollout of gigabit capable broadband in hard-to-reach areas across the whole of the UK.
- An additional £180 million was announced over the next three years as part of the £500 million investment in the Shared Rural Network, which seeks to deliver high-quality 4G mobile coverage to 95 per cent of the UK. This is estimated to offer extra coverage to 280,000 premises especially in rural areas, particularly for Scotland, Wales and Northern Ireland.

### Countryside Alliance position:

- We welcome continued investment in digital infrastructure through Project Gigabit and the Shared Rural Network. Delivering full fibre and gigabit capable broadband to the countryside by 2025, as committed to in the 2019 Conservative General Election Manifesto, has already been watered down in 2020 so this additional funding is essential if the government wants to meet its ambition of levelling up. Continued poor connectivity in rural areas represents a huge, missed opportunity for economic development and these gaps and weaknesses need to be addressed as a priority. A Countryside Alliance survey with Gigaclear found 80 per cent of rural businesses agree that ultrafast fibre connectivity would have the single biggest positive impact on their business recovery post-Covid; 32 per cent estimate it would help them recover twice as fast.
- The current lack of broadband infrastructure serving small firms threatens the expansion of the rural economy currently worth £400bn annually. The business opportunity includes 28 per cent of all UK firms and over one million small businesses.
- Covid-19 has once again highlighted the disparity in broadband connectivity across the country as the networks have struggled to keep up with unprecedented demand which has seen millions of Britons suffering as a result of poor connectivity and outages. Our research also revealed 85 per cent of rural businesses reported their current internet as being either poor but manageable (47 per cent), or unmanageably poor (38 per cent).

## Business Rates

### Budget announcements:

- Businesses in the retail, hospitality and leisure sectors will receive a 50 per cent business rates discount in 2022-23, up to a maximum of £110,000.
- The business rates multiplier will be frozen in 2022-23, saving businesses in England an estimated £4.6 billion over the next five years.
- From 2023, a new business rates relief will support investment in property improvements so that no business will face higher business rates bills for 12 months after making qualifying improvements to a property they occupy.
- The overall burden of business rates will fall by over £7 billion over the next five years.
- The frequency of business rates revaluations will be increased from every five years to every three years, beginning in 2023.

## **Countryside Alliance position:**

We welcome the Government's recognition of the impact of business rates on small businesses, high streets and the retail and hospitality sector as it recovers from the COVID-19 pandemic. We remain convinced of the need for a full-scale overhaul to ensure we have a system that enables rural businesses to compete fairly with those online.

- The retail sector accounted for 5 per cent of the UK economy's gross value added, but paid 10 per cent of all business taxes. Pubs are responsible for 0.5 per cent of turnover of the UK economy but pay 2.8 per cent of business rates.
- They are viewed by many as an outdated and archaic system and remain a source of grievance for many rural businesses, particularly with the growth of online retailing, which has increased the need for reform of the current system. The Treasury need to address the growing unfairness of business rates and the financial burden it places on businesses with a large footprint such as garden centres and equestrian businesses.
- Land values are changing at a rapid pace, so even assessing these every three years leaves many businesses paying over (or under) the odds for lengthy periods of time. It also creates cliff-edges for businesses upon each revaluation – ones which are difficult to predict, given the volatility of the multiplier.
- Unlike the digital sector, rural businesses are often unable to respond to rising land values by reconfiguring their operations to generate more value per square foot. An equestrian business, for instance, cannot increase the stabling density of their horses without compromising animal welfare.
- Rural tourism in England contributes over £13 billion per year to the economy, making up a substantial part of the overall £97 billion value of tourism. It makes a significant contribution to the rural economy, supporting village shops and services, jobs and businesses, and is crucial to ensuring the long-term sustainability of our countryside.
- The landlord of The Boot pub in St Albans claims his rates bill was set to soar by 280 per cent over five years from £14,000 a year to £52,000, owing to an assessed increase in its rateable value. They will have to sell an additional 22,000 pints of beer a year just to pay for the increase. Around one-third of the cost of a pint in a pub is made up of one tax or another. Many pubs are facing increases in the amount they pay in business rates and ultimately, it will be the consumers who pay the price as publicans are forced to put up prices or shut up shop.

## **Pubs and Alcohol Duty**

### **Budget announcements:**

- The Chancellor announced a major simplification of the alcohol duty regime, cutting the number of main rates from 15 to 6 and taxing products in proportion to their alcohol content. This includes scrapping the duty premium on sparkling wines.
- Although these measures will apply to all products, he commented that with growing conditions in the UK favourable to the production of lower-alcohol products, domestic producers should benefit disproportionately.
- Building on the Small Brewers Relief, a new small producer relief will be introduced for cider makers and other producers of drinks with an ABV below 8.5 per cent.
- Duty rates on beer, cider, wine and spirits will be frozen for another year.
- To support pubs, duty rates on draught beer and cider will be cut by 5 per cent, taking 3p off a pint.

## **Countryside Alliance position:**

We welcome reforms to the alcohol duty regime, the continued freeze on duty rates and the introduction of a new lower rate on draft beer and cider. We would encourage the Government to consider further the impact of VAT on hospitality businesses, and in particular pubs.

- The number and diversity of small artisanal producers in the beer and alcohol sectors – many of which are in rural areas – continues to grow, and as they do so enhanced sales opportunities for grain and fruit farmers follow. We therefore expect that the new small producer relief will benefit businesses throughout the supply chain.
- A Countryside Alliance survey carried out in January revealed the difficulties the pub trade has face as a result of the COVID-19 pandemic. Pubs, especially in rural areas, were closing at an alarming rate even beforehand.
- Pubs provide a large number of jobs and also have a wide network of other businesses that rely on them being, from butchers to breweries. The social benefits of a good local pub also stand out. In many parts of the country, pubs can be one of the few places that provide social interaction for those living relatively isolated lives.
- We welcomed the permitted development rights and reduced licensing requirements that were extended to businesses to help them adapt to periods of lockdown, but we would like to see these made permanent. If, for instance, a pub wishes to operate a takeaway service, we do not believe it is any longer relevant to require it to obtain a licence variation.
- The UK is one of only four countries in Europe not to take advantage of a reduced rate of VAT for tourist businesses. British families or international visitors holidaying in the UK pay almost three times as much VAT compared to a German break, and twice as much as one in Italy, France, and Spain. As a future measure reducing, or even eliminating, tourism VAT would help lower prices and allow businesses to increase investment, especially in the fragile coastal communities.

## **For more information please contact:**

**Sarah Lee**  
Director of Policy  
[Sarah-lee@countryside-alliance.org](mailto:Sarah-lee@countryside-alliance.org)

**David M Bean**  
Parliament & Government Relations Manager  
[David-Bean@countryside-alliance.org](mailto:David-Bean@countryside-alliance.org)