

COUNTRYSIDE ALLIANCE SUBMISSION

**Business, Energy and Industrial Strategy Select Committee Inquiry:
Post-Pandemic Economic Growth**

July 2020

TABLE OF CONTENTS

***Foreword*..... 1**

***1.0 Rural Businesses*..... 2**

***2.0 Case Study – Game Shooting*..... 4**

For more information please contact 7

Foreword

The Countryside Alliance is a membership organisation that works for everyone who loves the countryside and the rural way of life. We reflect the views and interests of over 100,000 members and supporters who come from all walks of life and every part of the United Kingdom.

COVID-19 has hit the rural economy hard. As the tourism season was set to start, the pandemic peaked and forced the closure of the very sector on which so many rural and coastal communities rely. Rural businesses that rely on tourism were left devastated – what should have been their peak season instead became their worst.

This submission will focus on how measures post-pandemic should aim to make the rural economy stronger, more resilient and more versatile. One way to realise these ambitions is to rural proof all recovery packages, and indeed all future policy. This would mean that the particular needs of rural areas are properly appreciated, and policy, and policy delivery, can be tailored so that recovery packages are most likely to deliver for rural communities.

For Britain to prosper the countryside has to prosper too. The countryside is a national asset, important for public health and wellbeing, as well as the economy. Rural communities are uniquely placed to deliver both economic and environmental objectives. This submission will explore how both those aims can be achieved by investing in infrastructure projects, such as digital, and up-skilling the rural workforce. It will also look at what existing measures need to be reformed to promote growth, such as business rates. The submission ends with a case study that demonstrates how one rural business sector delivers both economically and environmentally.

1.0 Rural Businesses

The Government must invest in the rural economy with a long-term vision, if it is not only to recover but also grow. We welcome the recent Government announcement that a £10 million package has been designated to help kick-start tourism in England. We hope this measure, coupled with the support for the hospitality sector outlined by the Chancellor on 8 July, will be a starting point that will help parts of the rural economy start to recover.

The rural economy is worth £400 billion in total and made up of many different sectors ranging from food production and tourism to manufacturing. The countryside is also home to 28 per cent of all registered businesses in England and there are proportionately more small businesses per head of population in rural areas. The significance, size and makeup of the rural economy means that long-term investment is necessary to help it grow and realise its full potential. The Government must continue to support and invest in rural and coastal areas and the support above is just the starting point.

1.1 Rural Proofing

- Post-Brexit the UK has an opportunity to renew its approach to the countryside. Recently the House of Lords Rural Economy Committee called on the Government to 'rethink and reform' how it engages with rural communities. We agree with the Committee that rural proofing needs to be 're-energised' and replaced with a 'place-based' approach which reflects the diversity of our countryside and the capabilities and knowledge of those who live and work there'.¹ This would ensure that issues in the countryside, that are often more complicated than in urban areas, are tackled appropriately and, crucially, resolved.
- Rural communities' needs should be at the heart of policy making in government. The responsibility for promoting and embedding rural proofing should therefore sit at the heart of government in the cabinet office. This would ensure the necessary resources and experience required to exert influence across all aspects of government. While many of the challenges facing rural areas are the same as those in urban areas, the way in which policies are delivered and funded need to take account of the differences between urban and rural areas, such as the sparsity factor.

1.2 Broadband

- COVID-19 has 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. We saw a 62 per cent rise in outages in April and a third of people surveyed had experienced internet issues during lockdown. This is holding the rural economy back. The business opportunity in rural areas includes 28 per cent of all UK firms and over one million small businesses.
- Slow internet speeds and frequent outages are a particular problem for people living in rural areas who still rely on copper cables which can be affected by something as basic as rainfall. It is now time for the Government to take stock of our networks and ensure more reliable connections are delivered to all, no matter where they live.

¹ HoL Select Committee on the Rural Economy: Time for a Strategy for the rural economy, found at: <https://publications.parliament.uk/pa/ld201719/ldselect/ldrurecon/330/330.pdf>

1.3 Tourism

- Rural tourism in England contributes over £13 billion per year to the economy, and VisitBritain predicts the £80 billion domestic tourism industry, spanning holidays and day trips, will suffer a £22 billion drop this year. Tourism makes a significant contribution to the rural economy, supporting village shops and services, jobs and businesses, and it is crucial to ensuring the long-term sustainability of our countryside. Seasonality in rural areas has a huge impact on retaining skilled workers over the quieter months. The industry should work with the Government to help deliver tourism that operates 365 days of the year.
- Staycations will undoubtedly become more popular as international travel is curtailed, at least in the short term. We, therefore, have a great opportunity to invest in public transport and make it easier for everyone to see everything the countryside has to offer. Lack of public transport is one of the biggest issues in the countryside, according to polling last year, and it remains so. Better local transport links will not only encourage those who live and work in the area to use public transport, but it will also encourage holidaymakers to leave their cars at home. This will in turn reduce congestion and emissions, whilst making the staycation itself more affordable.
- While the Chancellor's announcement of a reduction in VAT for six months for the hospitality sector is welcome, this cut needs to be longer term if rural tourism and the UK hospitality sector are to survive. Prior to COVID-19 the UK was one of only four countries in Europe not to take advantage of a reduced rate of VAT which means that British families or international visitors holidaying in the UK would pay almost three times as much VAT compared to a German break, and twice as much as one in Italy, France, and Spain. Reducing tourism VAT long-term would help lower prices, and also allow businesses to increase investment, especially in the fragile coastal communities. Research has found that a cut in tourism VAT would contribute an extra £4.6 billion to HM Treasury over ten years and create 121,000 jobs.

1.4 Skills

- If the rural economy is to grow green, both figuratively and literally, the Government must look to up-skill those in rural communities. The Government should invest in diversifying skills and up grading skills, when doing so, ensuring those skills will benefit and contribute to a green future. From farming and tourism to the digital economy, these sectors will all play their part in supporting green rural communities but we must ensure these industries have the right skills from improving farming practices and animal welfare, delivering a year round tourism offer to ensuring that all industries can make the most of the internet and the benefits that will bring. This will not only help those who live in the countryside, but also introduce the rural economy to other sectors, making the rural economy less dependent on traditional industries such as seasonal tourism.
- Digital skills are now necessary life skills and we must aspire for the whole population to achieve the level of digital literacy needed to participate fully in social and economic life. However, a parliamentary inquiry into digital skills reported that: "there is a digital divide where up to 12.6 million of the adult UK population lack basic digital skills. An estimated 5.8 million people have never used the internet at all. This digital skills gap is costing the UK economy an estimated £63 billion a year in lost additional GDP".

- Our own research has found that there is a lack of digital skills and confidence in using technology, which impacts both business and personal life. Businesses are unable to take advantage of the potential of social media, online bookings, or travel sites, and individuals, particularly older people, are unable to take advantage of online services, such as food deliveries and online banking. Unable to use online services again increases dependency on car use, which of course in turn contributes to emissions, and congestion in rural towns where the larger shops, such as supermarkets, are found.

1.5 Business Rates

- COVID-19 will continue to have a devastating impact on our high streets and businesses if we do not review how we tax physical businesses and recognise the role they can play in delivering a green economy. For businesses to be part of that, they must invest in green solutions, and be incentivised and enabled to do so.
- The current business rates system should change to a tax based on output rather than input, which would be more equitable, and also allow businesses to invest in green measures.
- For example, under the current model, the landlord of The Boot pub in St Albans claims their rates bill is set to soar by 280 per cent over five years from £14,000 a year to £52,000. They would have to sell an additional 22,000 pints of beer a year just to pay for the increase. This challenge is all the greater given the new social distancing rules, which will become even harder in Winter months.
- 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.
- Technology giants should pay more tax. Current tax is disproportionate. For example, 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 and pubs are responsible for 0.5 per cent of turnover of the UK economy but pay 2.8 per cent of business rates. Amazon pays only around 2 per cent in direct taxes of its total revenue. A proportionate, fairer, tax system could lead to further investment in green solutions and enable the survival of local businesses, which would reduce distances travelled to access key services.

2.0 Case Study – Game Shooting

Game shooting already delivers both economic and environmental outcomes. Shooting, in all its forms, is a key part of wildlife management, a driver of conservation, and a key part of the rural economy.

Lowland game shooting and grouse shooting in the uplands have played a key role in creating and maintaining our landscapes. Grouse shooting helps preserve and improve heather habitat and peatland, sustaining some of our rarest plants and wildlife, and promoting biodiversity. Without grouse shooting, the landscape of many upland areas, and the communities they support, would be threatened.

2.1 Environmental benefits

- Game shooting is one of the primary drivers of conservation throughout the UK. Shoot owners and managers spend £250 million of private investment in conservation schemes.

Shoot participants contribute 3.9 million voluntary days each year to conservation projects.² This level of effort is by far the greatest contribution to our wildlife of any private group and comes at no cost to the taxpayer. Crucially, these contributions take place because they have an economic output in the form of shooting. A UK without game shooting is a UK with 62,000 fewer acres of cover crops, which provide vital food and shelter for a myriad of species.

- Predator control is also an essential part of game management. The legal culling of predator species is carried out by shoots, enabling wild game – which are ground nesting birds – to rear young successfully. Predator control is vital to maintaining populations of rare ground nesting birds and waders. These species, such as curlew, lapwing and grey partridges, tend to flourish on kept ground. The RSPB has adopted these predator control methods on their nature reserves as well. Peer reviewed research undertaken by the Game and Wildlife Conservation Trust (GWCT) has shown that conducting predator control has a major impact on maintaining populations of ground nesting birds, without having an excessive impact on the population of predator species.³
- In the UK as a whole, shooting providers have management responsibilities over some 14 million hectares. That is about two-thirds of the total rural land mass. Within this area active shoot management – managing heather moorlands, and planting trees and hedgerows, for instance – is undertaken on nearly two million hectares, which represents 12 per cent of the UK's rural land. This is more than ten times the total area of all national and local nature reserves.
- Research by the GWCT shows that woodland managed for shooting, rather than for commercial timber production, provides a richer and more varied habitat. In the wide rides required for shooting, there can be four times as many butterflies as on woodland edge, and in 2012/13 shoots managed 500,000 hectares of woodland. In addition, they managed 100,000 ha of copses specifically planted to shelter game.
- Whilst heather moorland may look wild, in reality it is carefully managed. It is often thanks to its management for grouse shooting that this unique landscape has been maintained or restored, where elsewhere it has been lost. Recent figures produced by Natural England reveal that some 44,500 acres of moorland have been restored and revegetated across the North of England, all on land managed for grouse shooting.⁴ It is also because of their management that more than 60 per cent of England's upland Sites of Special Scientific Interest are managed grouse moors, and over 40 per cent are also designated as Special Protection Areas for rare birds and Special Areas of Conservation for rare vegetation under the EU Nature Directives.
- Grouse moor managers, and seasonal workers employed during the shooting season, help with vital conservation work such as spraying bracken, and removing saplings and invasive shrubs to prevent their encroachment onto the moorland. This labour-intensive work is carried out because grouse shooting provides a financial incentive to conserve heather moorland despite economic pressures and the attractiveness of government subsidies for other activities such as forestry and farming.

² Public and Corporate Economic Consultants (2014), *The Value of Shooting*, p.3.

³ Tapper, S.C., Potts, G.R., & Brockless, M.H. (1996). *The effect of an experimental reduction in predation pressure on the breeding success and population density of grey partridges *Perdix**. *Journal of Applied Ecology*, 33: 965-978

⁴ Quoted in the Moorland Association 'High and Lows for start of grouse season' found at: <https://www.moorlandassociation.org/2016/08/highs-lows-start-grouse-season/>

- At present conservation management in the UK is a centralised, largely command and control system which protects only 'key' habitats, landscapes and species. This system is ineffective in managing complex conservation issues affecting whole landscapes and ecosystems. The recent, and ongoing, fiasco over wildlife licensing in relation to predator bird species is illustrative of the point. The UK needs a workable licensing system suited to its particular needs and one based on a presumption in favour of management not a presumption against. The current approach, especially the use, or misuse, of the precautionary principle, has rendered impossible the control of predator bird species of no conservation concern in many areas, leaving the most vulnerable species of high concern exposed to predation.
- The only scientific study of wildlife populations after a driven grouse moor had ceased to operate, but walked-up shooting continued, is in Wales. This study shows dramatic declines in the numbers of many threatened species. Welsh moors were once the most successful grouse moors in the UK, supporting an abundance of other wild birds. Since management for grouse shooting ceased, they went into serious decline. Studies on a former grouse moor in Berwyn show what can happen in just 20 years, with golden plover declining by 90 per cent, curlew declining by 79 per cent, ring ouzel by 80 per cent, and black grouse by 78 per cent.⁵ Both curlew and lapwing are red-listed by the British Trust for Ornithology, and the curlew has recently been described by the RSPB as the UK's highest conservation priority.
- Shooting, therefore, plays a vitally important role in the conservation and management of UK landscape. Its contribution should be recognised by Government and policymakers alike. Recent discussions have focused not on how to help the sector, but rather how to restrict it, which would only be detrimental environmentally. Without the work of the shooting community, and rural communities more widely, the Government cannot deliver its 25 Year Environment Plan. Government needs to recognise the precious resource these people represent in ensuring that we halt biodiversity loss and restore the environment.

2.2 Economic benefits

- Game shooting makes a vital contribution to some of the most marginal rural areas of the UK, at a time of year that is traditionally the most difficult. After Summer, when traditional tourists have left many of our more remote rural regions such as the South West and North East, shooting fills the void tourists have left by filling the hotels, pubs and related businesses ensuring these tourist businesses can operate 365 days of the year. The reality is clear: many of these remoter communities would struggle if it were not for the employment provided by game shooting and the substantial expenditure of shooters that visit these areas during the low season.
- Research by the Countryside Alliance about the community of Blanchland, Northumberland, highlights the growing public awareness of the benefits of grouse shooting and its role in protecting England's remote upland communities.
 - Nine out of ten people agreed that grouse shooting provided the communities with economic, social or environmental benefits.
 - Two thirds of respondents agreed that grouse shooting provided them with direct economic or social benefits.

⁵ Ibid.

- Nine out of ten people agreed that there would be a negative impact on the communities if grouse shooting stopped.
 - Nine out of ten people valued the services provided by local businesses, the economic viability of which can be dependent on the revenue generated by shooting parties.
 - Eight out of ten people agreed that tourists were attracted to the area thanks to the beauty of the landscape and increased wildlife that are a direct result of moorland management associated with grouse shooting.
- Our research clearly shows that grouse shooting is vital to the local employment, businesses and people of England's uplands.
 - Overall, shooting contributes over £2 billion per year to the UK economy and supports an additional 74, 000 jobs. Ensuring the survival of these communities requires a diverse and pragmatic blend of businesses, and game shooting, with its 480, 000 participants, is a key ingredient.
 - Shooting therefore plays a crucial role in the rural and wider economy. Its significance and importance should be recognised. Calls to ban shooting ignores the devastating economic and social implications to rural economies.

For more information please contact

Sarah Lee

Head of Policy

Sarah-lee@countryside-alliance.org

Ed Rowlandson

Political Relations Manager

Ed-Rowlandson@countryside-alliance.org