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Introduction

The Countryside Alliance welcomed announcements made in the Budget on 8 March as an opportunity to support rural businesses and communities

Proposals to improve broadband roll out, mobile connectivity and a package of financial support for those hit by the hike in business rates will hopefully go some way to ensure that the rural economy can continue to contribute to the UK economy.

Key measures contained in the budget which will support rural communities include:

- £16 million to create a new National 5G Innovation Network to trial and demonstrate 5G applications
- £200 million to roll out a series of local projects to accelerate market delivery of fast and reliable full-fibre broadband to more homes and businesses
- £500 million to expand Technical levels and support vocational skills
- £435 million of further support for businesses facing significant increases in business rates
 - support for small businesses losing Small Business Rate Relief to cap rate rises to £50 a month
 - £300 million of discretionary relief to English local authorities to allow them to provide support to individual hard cases in their local area
 - £1,000 business rate discount for public houses with a rateable value of up to £100,000

Business Rates

Budget Measures:

- £435 million of further support for businesses facing significant increases in business rates
 - support for small businesses losing Small Business Rate Relief to cap rate rises to £50 a month (£600 per annum)
 - £300 million of discretionary relief to English local authorities to allow them to provide support to individual hard cases in their local area
 - £1,000 business rate discount for public houses with a rateable value of up to £100,000

Countryside Alliance Response:

The Countryside Alliance welcomes the proposals announced in today's Budget to provide additional support to small businesses to the tune of £435 million. We have seen many small businesses across the country hit with business rate rises, up to as much as 300%. It is therefore welcome that the Government has listened to the hardship these rate rises would have on small businesses. We welcome the package of measures proposed and hope that the £50 a month cap on rate rises and the £300 million discretionary relief fund will help to ensure that many rural businesses can continue to thrive. However, this is only a temporary solution and does not address the long term problem of business rates. Businesses in rural areas play an important part of the economy so we must have a system which enables them to compete fairly with web based businesses. We also welcome the recognition from Government of the role that pubs play in communities. A £1000 discount for those with a rateable value below £100,000 will ensure that these important social hubs can survive.

However, we need long term solutions to ensure their viability and that of all small businesses in rural areas rather than ad hoc measures. Businesses need long term certainty if they are to be able to invest and plan for the future.

Summary

- Last November we welcomed the Chancellor's announcement in the Autumn Statement that the threshold for small business rate relief would be doubled from £6,000 to £12,000 from April this year. Unfortunately, however, it soon became clear that the benefits of the increased threshold were outweighed by revaluation plans that disproportionately affect rural businesses.
- We were particularly concerned by the impact the revaluation proposals would have on riding centres. Figures from the British Horse Society show that some would see their business rates increase by up to 300% and that five out of six riding schools would not qualify for small business rate relief. There is no doubt that the flawed revaluation proposals, brought forward by the Valuation Office Agency (VOA), risk severely undermining the equestrian sector.
- What is particularly perverse about the proposed changes is that many riding centres have been encouraged by the Government through grants to expand their physical footprint and facilities to meet customers' expectations. Under the revaluation proposals all of these new facilities will be subject to increased business rates and the VOA appears to be blind to the fact that there are sound animal welfare reasons why riding centres and livery yards take up the space they do. It is unfair for them to be punished for promoting high animal welfare standards by following strict guidelines.

Digital Connectivity

Budget Measures:

- £16 million to create a new National 5G Innovation Network to trial and demonstrate 5G applications
- £200 million to roll out a series of local projects to accelerate market delivery of fast and reliable full-fibre broadband to more homes and businesses

Countryside Alliance Response:

The Countryside Alliance has long campaigned for broadband and mobile phone coverage to extend to all rural areas. While progress is being made, many rural communities are still experiencing poor digital connectivity. The funding announcements of £200 million to get full fibre broadband to more homes and businesses and £16 million for a new 5G technology hub are welcome but the Government must ensure that rural areas are not forgotten in delivering fibre and 5G technology.

Summary

- The Countryside Alliance believes that high speed broadband is an essential service alongside water, electricity and gas; but is nowhere near as available in rural areas as it is in urban areas. This view is shared by Ofcom and highlighted in their Connected Nations Report published in December 2016.
- 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. Reliable broadband is essential for competitive and successful enterprises in a growing digital economy. It is vital that rural communities and businesses have access to effective and affordable broadband if the digital divide between rural and urban areas in the UK is not to grow any wider.
- 1.4 million premises remain unable to access broadband speeds over 10 Mbit/s, the speeds required to meet a typical household's digital needs, which is also the proposed speed of the Government's Universal Service Obligation. This is down from around 2.4 million in 2015 although 960,000 premises in rural areas are still unable to access download speeds above 10Mbit/s. Superfast broadband, measured at 30 Mbit/s, is now available to 89% of UK homes although only 59% of homes in rural areas are able to access superfast speeds.
- There is still a lot more to do, particularly in boosting mobile and broadband coverage, and improving the quality of service provided by telecoms companies. For example, rural areas still lag behind on broadband, with around a quarter of rural properties unable to get a 10 Mbit/s connection and 4G coverage in rural areas is only 37% of landmass, compared to 89% in towns and cities.
- The Countryside Alliance welcomed the Digital Economy Bill and we hope that the Bill will ensure that digital connectivity is delivered in rural areas. One of the main obstacles to high speed broadband and mobile connectivity in rural areas is the lack of infrastructure able to support high speed connections. The Countryside Alliance also welcomed the proposals in the Bill to introduce a Universal Service Obligation (USO) of 10Mbit/s for broadband speeds across the country. However, the UK Government needs to consider how the USO is going to be delivered and allocate resources to ensure that 10Mbit/s can be accessed in all premises across the UK, including rural areas.

Technical Skills

Budget Measure:

- £500 million to introduce Technical Levels (T-Levels) and support vocational skills

Countryside Alliance Response:

The Countryside Alliance has welcomed the Government's commitment to technical training in the Budget as the importance of vocational training and apprenticeships to the rural economy cannot be underestimated. Putting technical education on the same footing as academic studies will ensure that the level of land based skills in rural areas is increased. There has been a lack of young people in rural areas coming through with the technical skills needed to support rural economies and we hope these changes will turn this around and boost technical skills in the countryside.

Summary

- The Government will be conducting an overhaul of post-16 education. The multibillion pound drive to improve technical training will be funded by the Treasury to the tune of £500million per year.
- Under the new system, 16-18 year olds will choose between 15 standalone courses as opposed to the 13,000 they currently have to choose from. The aim is to put technical education on a footing with academic studies. The Government's announcement coincides with National Apprenticeship week.
- It is important that the level of land based skills in rural areas is increased and the Countryside Alliance is committed to ensuring technical skills are valued. We are currently leading a 'trailblazer' group with other organisations and employers to develop a new Gamekeeper apprenticeship. The Underkeeper course is aimed at securing the future of gamekeeping after concerns were raised by the lack of young people coming through with the skills required. Last year the Alliance learnt that the current system of apprenticeships will end in 2020, with no guarantee that gamekeeping programmes will be part of the new system of qualifications.
- The Government's announcement provides further evidence of how committed it is to putting technical education on an equal footing with academic studies. Though the new 'T-levels' will be focused on a different age group than our Underkeeper course it is reassuring to see how focused the Government continues to be on boosting technical skills.

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