

## **COUNTRYSIDE ALLIANCE BRIEFING NOTE: GOVERNMENT SUPPORT FOR RURAL COMMUNITIES**

**Westminster Hall, Caroline Voaden MP**

Wednesday 12 March 2025

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- **The policies announced by the Defra Secretary at the NFU farming conference are welcome and of genuine advantage to the food and farming sector.**
- **We also welcome last week's (4 March) announcement of up to £38 million of funding to support rural communities.**
- **Ultimately, however, Mr Reed's remarks on agricultural and business property reliefs were less convincing even for a minister who lacks policy responsibility for tax. The Countryside Alliance calls on the Chancellor to revisit this policy so it can prevent the abuse of landholding as a means of avoiding inheritance tax without risking the inter-generational viability of legitimate family farms.**
- **We are keen to address the 'rural premium', the added costs of living that residents must pay by virtue of living in a rural area. This is a key challenge to rural Britain and reflects the reality of our members' and supporters' daily lives.**
- **Much of this, among a great many other matters of importance to rural communities, touches on matters that fall under the purview of a broad range of government departments. However, unlike other thematic policy areas including animal welfare and net zero, there appears to be no instrument within government for developing an overarching policy or strategy.**
- **We urge the government to bring forward secondary legislation to allow the commencement of the Equipment Theft (Prevention) Act so that rural communities can be better protected from the impacts of this insidious category of crime.**

### **Recent government announcements**

- On 25 February the Defra Secretary, Steve Reed MP, addressed the NFU Conference and made a range of commitments intended to support the food and farming sector and boost profitability. These included:
  - Extending the seasonal workers visa scheme for five more years.
  - Steps towards greater public sector procurement of British produce.
  - A further £110 million investment in technology grants.
  - Protecting farmers in trade deals.
  - Strengthened biosecurity through a new £200 million National Biosecurity Centre.<sup>1</sup>

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<sup>1</sup> Defra, [Government announces raft of new policies and major investment to boost profits for farmers](#), 25.02.25

- Last week (4 March) the government announced up to an additional £38 million of funding for rural communities more broadly.
- The announcement mostly consisted of up to £33 million being directed to the Rural England Prosperity Fund, used to improve local infrastructure and essential services that benefit rural communities and help businesses in rural areas to expand. Projects eligible for grant funding include creating rural business hubs, diversification, community gardens, footpaths and community kitchens.
- The remaining up to £5 million will support rural services. Part of this will be directed to the Rural Community Assets Fund, which provides capital funding for the refurbishment and development of community-owned assets such as village halls or community centres, and part will support Rural Housing Enablers who help bring forward sites for affordable housing.<sup>2</sup>

## The Rural Charter

- In advance of the recent General Election the Countryside Alliance published our Rural Charter, a manifesto setting out our priorities for this Parliament. These were as follows:
  - Respecting rural communities.
  - Tackling the blight of rural crime.
  - Championing British farmers and food producers.
  - Recognising the role of wildlife management and the value of trail hunting, shooting and fishing.
  - Delivering a connected countryside.
- Taken together these items encapsulate what we see as the major challenges facing rural communities.
- In broad terms, we are keen to address the ‘rural premium’, the added costs of living that residents must pay by virtue of living in a rural area. This is a key challenge to rural Britain and reflects the reality of our members’ and supporters’ daily lives.

## Immediate priorities

- Budget announcements by the Chancellor of the Exchequer, Rachel Reeves MP, restricting the availability and thresholds for Agricultural Property Relief and Business Property Relief have produced a furious reaction among farmers.
- With Countryside Alliance analysis showing that there are 190 Labour MPs at least part of whose constituencies are rural, it was reported last week that around 40 Labour MPs had met Treasury officials to express disquiet about the changes. One was quoted anonymously as saying:

*“Our message will be, ‘if you’re not going to let us challenge you through the channels that exist for loyal backbenchers then we’re going to show our muscle’. There’s one last chance to put this right before things blow up. At the moment we’re just met with a wall of arrogance.”<sup>3</sup>*

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<sup>2</sup> Defra, [Government funding for rural communities set out](#), 04.03.25

<sup>3</sup> The Express, [Full on Labour revolt over Rachel Reeves as 40 MPs send furious letters over tax plans](#), 06.03.25

- Recent high levels of inflation have had a disproportionate impact on village shops and broader rural enterprises. It has posed risk to small local shops, farm shops and craft producers operating with higher production costs if consumers, having less disposable income, are forced to substitute cheaper, mass-produced goods and shop at larger discounted stores.
- Rural living requires longer journey times and higher transport costs. Our research conducted in 2022 found that rural households were spending almost £800 a year more on fuel than people who live in urban areas, and spend up to 6 pence per litre more for petrol.<sup>4</sup>
- Defra figures reinforce the suggestion that rural life necessitates longer journeys. According to the figures, in 2021, each resident in rural villages, hamlets and isolated dwellings travelled 6,450 miles on average; this is 2,000 miles more per person than those living in urban city and town areas (4,460 miles) and 2,800 miles more per person than those living in urban conurbations (3,660 miles).<sup>5</sup>
- The Countryside Alliance strongly supported and helped shape the Equipment Theft (Prevention) Act 2023<sup>6</sup>, brought in as a Private Member's Bill by Greg Smith MP. The Act targets the theft and re-sale of equipment used by tradespeople and agricultural and other businesses, requiring that they be fitted with engine immobilisers, securely marked and recorded when sold. We believe the Act stands to make an important contribution to tackling rural crime.
- To be brought into force, however, the Act requires the government to bring secondary legislation to define the requirements it establishes. This has yet to be done and we urge it to move forward without further delay. The government's current position is that the regulations will be in place by the summer.<sup>7</sup>

### **Countryside Alliance position**

- The policies announced by the Defra Secretary at the NFU farming conference are welcome and of genuine advantage to the food and farming sector. Ultimately, however, Mr Reed's remarks on agricultural and business property reliefs were less convincing even for a minister who lacks policy responsibility for tax.
- We also welcome last week's announcement of up to £38 million of funding to support rural communities.
- The Rural Premium and issues with local service closures underscores the need for a more joined-up approach within government to rural policy. These issues, plus others such as the availability of healthcare and transport, touch on matters that fall under the purview of a broad range of government departments. However, unlike other thematic policy areas including animal welfare and net zero, there appears to be no instrument for developing an overarching policy or strategy.

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<sup>4</sup> Countryside Alliance, [Parliamentary group highlights 'rural premium'](#), 28.04.23

<sup>5</sup> Defra, [Statistical Digest of Rural England: 5 – Connectivity and Accessibility](#), 06.24

<sup>6</sup> Legislation.gov.uk, [Equipment Theft \(Prevention\) Act 2023](#)

<sup>7</sup> HC Deb, 13.01.15, [c10](#)

- The Treasury's calculations as to the number of farms affected by changes to inheritance tax reliefs are clearly in dispute. Even supposing its claim of 500 farms being affected each year was correct, over a 30-year generational cycle that would still mean 15,000 farms in total facing an inheritance tax bill that could give rise to a need to sell land.
- The Countryside Alliance calls on the Chancellor to revisit this policy. She should revise it so it can fulfill the objective of preventing the abuse of landholding as a means of avoiding inheritance tax without risking the inter-generational viability of legitimate family farms. We are also concerned about the impact of employers' NI contributions on businesses in rural areas.
- We urge the government to bring forward secondary legislation to allow the commencement of the Equipment Theft (Prevention) Act so that rural communities can be better protected from the impacts of this insidious category of crime.

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