

Date: Wednesday 23 January 2002
Time: 2.00pm to 4.50pm
Venue: Committee Room 2, National Assembly Building

REPORT OF THE MINISTER FOR RURAL AFFAIRS

Welsh Meat Industry

1. I announced on 17 January proposals on the formation of a powerful new company to help revitalise the red meat sector. The proposal involves Welsh Lamb and Beef Promotions, the Welsh Development Agency's Agri Food Directorate and the Meat and Livestock Commission Cymru Wales (MLC) coming together to establish a powerful single body - Antur Cig Cymru - to take overall responsibility for all market development and promotional activity for red meat in Wales. MLC would devolve much greater funding to this body. This fulfils a commitment I gave in Farming for the Future on creating a more integrated organisational structure for the meat industry in Wales.
2. The formal consultation document is expected to issue by 25 January with a closing date for responses by the end of February. It is hoped to get the company up and running early in the new financial year. I will update the Committee on the outcome of the consultation at the appropriate time.

Rural Recovery Plan

3. I issued a press notice recently explaining the expenditure to date on the Rural recovery Plan. Excellent progress is being made on implementing the Plan. Of the £37m provided for the current financial year some £28m had been spent to 31 December. Copies of the latest progress report can be found at Appendix 1. Arrangements are also being made for circulation of the report to the Economic Development Committee.

Reform of EU Sheepmeat Regime

4. At the meeting on 9 January, the Committee raised several points about the operation of the national envelope in Wales under the reformed EU Sheepmeat regime. I have addressed these points in the paper at Appendix 2.

Animal Health Bill - Consultation

5. As foreshadowed when the Bill was introduced, the UK Government has published its consultation document on the operation of the provision for disease control assessments before compensation which is included in the Bill. In particular, the document seeks the industry's views on:

- a. the criteria that will govern the slaughter of animals to prevent the spread of FMD in the event of a new or resurgent outbreak.
- b. arrangements and criteria for assessing farmers' compliance with biosecurity requirements on Infected Premises.
- c. Procedures governing appeals against levels of compensation awarded in the light of the assessments under b).

6. I hope consultees in Wales will take full advantage of the opportunity to comment on the details set out in the document so that they can be taken into account in finalising the scheme. Electronic copies of the consultation document are available on the DEFRA website.

Meat imports

7. At the last Committee meeting, I promised to provide further information on the resources available from the UK Government to monitor imports of meat products.

8. In the light of lessons learned from the Foot and Mouth outbreak, additional measures have been put in place to improve the UK's ability to detect and prevent illegal imports of animal products viz:

- extra publicity in third countries;
- improved publicity at ports and airports and further information explaining the rules targeted at individual travellers;
- introduction of an information sharing system between enforcement agencies;
- amendments to legislation to make it easier for local authorities to act when illegal meat is found on retail and wholesale premises.

9. In addition, an interdepartmental group has been established to consider what other measures might be employed both in the UK and in Europe. Extra resourcing and primary legislation will be required to bring some of these into effect. Examples of areas under consideration or scheduled for trialling are:

- improved publicity (including in-flight videos);
- increased checks;
- use of X-ray machines;
- in flight declarations;
- on the spot fines;
- amnesty bins;

- Sniffer dogs.

10. In Wales, as in other countries in the UK, Customs Officers check consignments and individuals, the Food Standards Agency (Meat Hygiene Service) has enforcement responsibilities at certain premises (eg. meat cutting plants) and Local Authorities (Environmental Health Officers and Trading Standards Officers) are responsible for carrying out a variety of checks at food premises within their areas including enforcement action where illegally imported animals are found.

11. The only Border Inspection Post (BIP) in Wales, at Pembroke Dock, was set up to deal with fishmeal imports from Chile; this has not been used for some considerable time. The main risk of meat imports into Wales is by lorries which have already been through inspection at a BIP somewhere in Europe. Port Health Authorities and the Veterinary Field Service are responsible for policing BIPs in England.

First meeting of the Woodland Forum

12. On 10 January 2002, I chaired the first meeting of the National Assembly's Woodland Forum. Some 40 organisations from the public, private and voluntary sectors were represented and there was strong support for the tone and objectives of the Wales Woodland Strategy.

13. The Strategy programmes will be delivered by the wide range of organisations represented on the Forum, through partnerships, thus recognising the importance of our woodlands in Wales in meeting many different objectives.

14. At the meeting members agreed that the scope and purpose of the Forum should be

- To share and exchange proposals for implementing '*Woodland for Wales*' the National Assembly for Wales' Strategy for trees and woodlands;
- To develop performance indicators against which achievements can be measured;
- To measure, monitor and review progress on implementing the Strategy and report back to the National Assembly;
- To make recommendations on research needs to support the Strategy.

15. Five working groups, each led by a Lead Agency, will be established to cover the Programmes for Action in the Strategy document:

- Woodlands for People (Lead Agency: Forestry Commission)
- A new emphasis on woodland management (Lead Agency: Forestry Commission)
- Wales as a location for world-class forest industries (Lead Agency:

Welsh Development Agency)

- A diverse and healthy environment (Lead Agency: Countryside

Council for Wales)

- Tourism, recreation and health (Lead Agency: Wales Tourist Board)

Forestry Commission Grants Consultation

16. As an outcome of the Wales Woodland Strategy, I have asked the Forestry Commission (FC) to conduct reviews of the grant incentives for woodland management and new planting. A consultation paper on woodland management incentives has just been sent out to the people and organisations with an interest in contributing to this review process. The separate review of incentives for the creation of new woodlands is being undertaken jointly by the FC and the Agriculture Department.

17. The consultation seeks views on the incentives needed in order to encourage sustainable woodland management in Wales. A wide range of interests have been represented on a steering group and the review is taking a fundamental look at what the purpose of grant aid is and the relationship between grant aid and long-term outcomes (and public benefits).

18. Seminars will take place in North and South Wales on the 13th and 15th of February to engage stakeholders in constructive discussion about the future shape of incentives. In view of the time that it will take to develop and introduce revised incentives, interim arrangements are being put in place to encourage woodland management by increasing the Woodland Improvement Grant rates under the Woodland Grant Scheme targeted at objective outcomes in the Woodland Strategy.

Wildlife Poisoning

19. At the last meeting on 9 January, the Committee requested a note on the incidence of wildlife poisoning as a result of the misuse of agricultural pesticides and the work being done to counteract the problem. This note is at Appendix 3.

Secondary Legislation

20. At Appendix 4 is the regular report on all legislation in the pipeline that we are aware of in respect of agriculture and rural affairs.
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RURAL RECOVERY PLAN: REPORT ON PROGRESS TO DATE

This report sets out the latest information on progress received from the implementing bodies.

Wales Tourist Board (WTB)

A. Impact of Foot and Mouth on Tourism Performance

• *Introduction*

Tourism is an important component of the Welsh economy. In recent years, annual spending from overnight and day visits has been in excess of £2 billion – approximately 7% of Welsh GDP. In many coastal and rural areas the relative contribution of tourism to the economy is even greater. A number of external factors, however, were likely to impact upon tourism performance during 2001 even before the outbreak of FMD is taken into account. Firstly, the strength of the pound against the Euro was likely to be a continuing constraining factor on growth from European markets. Americans were also aware that the strengthening dollar against the Euro meant that Europe represented better value than the UK. Recent research demonstrates that there is a direct link between the value of the pound and international tourism receipts i.e. every 1% rise in the external value of the pound gives rise to a decline in UK international tourism receipts of approximately 1.3%. The relative strength of the pound will also have increased the propensity for UK residents to holiday abroad rather than in the UK.

Secondly, the relatively high price of petrol and the publicity surrounding the petrol blockades in the UK were controls on growth from some key international markets. Added to this there were strong signs that the US economy was slowing down and growth in consumer spending throughout Europe remained sluggish. Despite these constraining external factors the British Tourist Authority were forecasting before the outbreak of FMD, that spending by overseas visitors would rise by around 2% in Britain during 2001 i.e. from £12.8 billion to just over £13 billion. By the end of May 2001, however, BTA had revised these optimistic forecasts and were estimating that inbound tourism receipts would fall between 10% and 20% short of this forecast figure as a result of FMD. In financial terms this was equivalent to a drop in revenue of between £1.5 and £2.5 billion – the loss mainly coming from some of Britain's biggest inbound tourism markets, particularly the USA, France, Germany and the Netherlands.

Domestic demand from UK residents was not predicted to grow significantly during 2001 compared with the previous year. The major structural change in recent years has been the growth of short break holidays in Wales and a slow, steady decline of the traditional peak season long holiday market. Against the backdrop of a strong pound and static consumer spending, these general trends were forecast to continue in 2001.

- ***Foot and Mouth in Wales***

The foot and mouth outbreak was first announced in the UK in late February. The immediate and subsequent impact on rural tourism businesses was serious and far-reaching. Although the effect of FMD has not been felt equally throughout Wales, and it is still too early to be precise about the ultimate performance of tourism in Wales in 2001, the clear indications are that FMD will give rise to significantly lower levels of tourism spending, particularly in rural areas. Some businesses continue to report that their tourism income has declined by anything up to 75% compared with a normal year. Research indicated that throughout Wales, turnover fell by 22% during the Easter period and for over two thirds of businesses responding to a survey conducted during May, forward bookings for the rest of 2001 had declined by an average of over 60%. Although there are good signs that consumer confidence in the countryside is improving, FMD is likely to leave a long-term legacy on the rural economy in Wales. On the basis of previous experience, it is likely to be the domestic (UK) market which recovers first. This is relatively good news for Wales because at least 80% of spending from overnight visitors is derived from the core UK market. It will be important to target these loyal markets confidently and effectively to regain their trust and to attract new and previous visitors to Wales during 2002.

In summary, WTB estimates that tourism spending to Wales during the first six months of 2001 has declined by -15%, equivalent to total losses of £182 million (see Annex 1).

As a direct result of the prolonged impact of FMD and the catastrophic events of 11 September 2001, WTB estimates further losses of at least another £100 million by the end of 2001 – giving a total of more than £280 million by the end of 2001. Such an impact could place 10,000 direct jobs at risk. Taking into account the multiplier effect of tourism (where income from tourism supports other businesses such as garages and builders) more than 15,000 jobs could potentially be affected.

One positive outcome of the FMD outbreak is that it has demonstrated to government, the business community and the public the important contribution that tourism makes to local economies. In some rural areas, tourism is the main employer and it is important to acknowledge the integrated role of tourism in any decisions on the future of the rural economy.

- ***WTB response to FMD***

WTB has consulted widely with the industry to understand their immediate problems and to identify the appropriate measures that need to be put in place to help the rural economy recover. With the support of additional resources from the National Assembly for Wales, WTB has been able to put in place a range of activities which are designed to combat the effect of FMD in Wales. These measures have been communicated to the industry through regular WTB newsletters and via the media. In total, WTB will be allocating £4.55 million of additional funding during 2001/2001 to support the tourism industry as it seeks to fight back and recover from FMD. Additional funding support is also planned for the longer term to strengthen the quality of the tourism product in rural areas.

- *Summary of Additional WTB Activities*

A Initial Phase

On 29 March 2001 the NAW announced £1.15 million additional funding for WTB. This immediate initial funding was made up to £1.5 million from WTB's existing resources and was spent on marketing in the run up to Easter and the two following Bank Holiday weekends. The main marketing objective at this stage was:

"To persuade visitors from the UK that Wales was open for Easter and beyond and to book a holiday here."

An integrated campaign of activities included the following:

- radio advertising campaign on regional stations in key markets;
- large advertorials (paid for editorials) in 25 regional and national press titles;
- advertising on Teletext;
- direct mailing to 100,000 of the current year's enquirers and e-mail to a further 30,000 enquirers with messages of reassurance and guidelines to travel;
- proactive PR campaign;
- extension of 'Advantage' Campaign providing subsidised advertising opportunities for the industry;
- outdoor poster campaign in key source markets;
- 3 billion leaflets distributed in magazines/newspapers;
- 'Today in Wales' TV advertising campaign – an estimated 16 million viewers tuned in, in Wales' key target markets;
- dedicated website information linked to the 'Today in Wales' campaign;
- WTB website –
- www.visitwales.com

- provided up to date information on open attractions and advice to visitors – during May the site was receiving on average 185,000 hits a day, an 85% increase over the previous year;

- 11 local joint marketing campaigns were supported by WTB, concentrating on those areas most severely hit by FMD.

B Rural Recovery Plan

On 26 July, the Assembly launched the Rural Recovery Plan and confirmed that key measures in the plan included a further £4.2 million of immediate funding for the marketing and development of tourism businesses and £5 million to support integrated tourism, leisure and environmental projects. This fund to be administered jointly by WTB and CCW over the next two financial years.

Annex 1 provides details of the activities being undertaken using the funds made available under the Rural Recovery Plan. Annex 2 provides information on tourism performance during 2000/2001. Annex 3 sets out the WTB's assessment of the impact of the 11 September 2001 events on tourism in Wales.

Countryside Council for Wales (CCW)

In August the Countryside Council for Wales and the Wales Tourist Board were asked by the National Assembly for Wales to take forward an initiative to help identify and support projects that integrated tourism with the environment and leisure opportunities.

The Assembly has allocated £5 million over two years to support the initiative. Two million will be available from April 2002 the remaining money from April 2003. The Forestry Commission, which was also allocated £200,000 by NAW to support for outdoor recreational projects in Welsh woodlands, decided to join the initiative making £5.2 million available over the two years.

On 11th November 2001 CCW and WTB issued a joint letter and consultation paper on the ADFYWIO initiative. Based on the response to this consultation the following decisions have been made about the criteria for the scheme:

- The minimum amount of grant aid will be pegged at £5000;
- The maximum amount of grant aid will normally be £250,000.
- Grant aid will be available to projects throughout rural Wales but projects from areas which are directly affected by FMD will be favoured (all other things being equal);
- All projects will be judged against sustainability criteria, and
- Projects that are sustainable and also promise to provide economic benefit in the short term will be the most favoured.

Although there are some issues remaining to be clarified with the National Assembly for Wales, the scheme is expected to be operational in the next financial year.

The Welsh Local Government Association and the Association of National Park Authorities have called for the initiative to be delivered locally. Given that the WTB and CCW are jointly accountable to the Assembly for the delivery of the initiative it is not appropriate for it to be administered more locally but they will work in close co-operation with local and National Park authorities. It is intended that meetings with WLGA and ANPA will be held before the launch of the initiative and the national park and local authorities will be encouraged to help to bring forward well integrated projects in readiness for approval in April 2002.

National Assembly for Wales

Agriculture Department

Farming Connect (*working with WDA and other partner organisations*)

Under the Rural Recovery Plan an additional £500,000 per annum (over 3 years) is being made available to the WDA to support the implementation of *Farm Business Development Plans* (FBPD) in those areas hardest hit by the disease and in the non-objective 1 areas. At the end of November 2,672 farmers had requested a Farm Business Development Plan and have been allocated a consultant to undertake the plans. A further 213 farms had opted for a Farm Business Options Review and have been allocated a consultant.

The FBPDs are being delivered by private sector consultants. There are currently 130 consultants contracted to undertake the development plans and they are now working up the Plans and advising the best way forward for farmers.

Farm Business Options Reviews (*working with the WDA*)

An additional £1m (previously announced) has been made available to support the provisions of Farm Business Options relevant for those farm businesses directly affected by FMD. The aims are to re-establish businesses and evaluate relevant alternative strategies.

Uptake has been 213 farmers to date. All eligible farmers have received correspondence from NAWAD on launch and follow up promotions from WDA.

Capital Grants - Farm Improvement Grant and Farm Enterprise Grant

Additional funding is being made available for *capital grants* (£500K in 2001/2; £1.5m in 2002/03 and £2m in 2003/04) which will be managed by the National Assembly.

Farmers cannot access capital grants until after the completion of the Farm Business Development Plan, and then only if this is the recommended course of action by the Farming Connect consultants. The forms and guidance are now available. From the expressions of interest so far, 90% of applicants have indicated an intention to apply for grant.

Communications Strategy

The Gwlad magazine is now up and running – the third edition will be published in February and articles for the next edition are being developed. Response to date has been positive.

Young Farmers Clubs

The Young Farmers Club is having to seek bids for projects under the funding agreed in the RRP from their area organisations. Bids were received by 4 January and considered by an Officer Meeting on 14

January. The formal proposals are to be submitted to us shortly.

Woodland Development and Biomass Strategy Group

The Forestry Commission has lead responsibility for the Woodland Development and Biomass strategy group and provides secretarial support. The group includes a wide range of partners, including representatives from both the private and public sectors. The group met for the first time on 28 November. It is intended that the group produce an action plan for the sector by Spring 2002. The Group will harness the expertise within the industry together with that of public sector partners (including Forestry Commission, Countryside Council for Wales and the National Assembly). The group will give careful consideration to ensure that maximum use is made of the funding available and will also identify what additional measures are required.

Funding for biomass projects will come from a number of sources, including measures included in the Rural Development Plan for Wales and the Objective 1 programme. In addition, there is currently more than £36 million available for the development of the biomass sector in England and Wales.

Rural Hardship Fund

The budget of £2m for match funding under the Rural Hardship Fund has been fully expended. The scheme closed to new applications at the end of September.

Rural Stress Fund

The Assembly has asked the WCVA to be the lead body for this scheme and work on finalising implementation is nearing completion. The Council has drafted scheme guidelines for applicants and discussions are advancing well on projects.

Economic Development Department

Enterprise Support

The report by the Task and Finish Group on a new Enterprise Support Scheme has been accepted by the First Minister. Subject to further discussions with the WDA and the WLGA, an announcement will be made shortly. The intention is to launch the new scheme in April 2002.

NHS Directorate – Primary & Community Health

Community Nurses

Plans for outreach workers have been received from Powys; a meeting has been held with Gwent and

they are expected to submit their plans shortly and a meeting is to be held in Mold regarding a worker for North Wales.

Welsh Local Government Association (WLGA)

Update on the Local Authority Rural Business Recovery Fund

- *Background*

Local authorities received a further Special Grant Report of £9 million in July, which addressed many of the inflexibilities of the first £12 million Special Grant Report (e.g. councils could not use the grant for activities they were co-ordinating on behalf of businesses, such as marketing or business advice).

90% of the grant was given to the 9 mainly rural authorities where the economic effect has been most keenly felt. However, all local authorities received an allocation as it was acknowledged that the impact of FMD had been felt right across Wales.

While the Assembly has decided that the grant cannot be used to fund business rate relief, it can be used to help businesses by means of financial assistance or otherwise - thus allowing councils to use the grant to undertake activities themselves or to fund third parties to do so. Councils must commit the grant funding by 31st December 2001.

Councils have built on their knowledge and experience of administering the first grant and are offering various types of assistance depending on local priorities and need. Many of the schemes have not yet been finalised and are still open to applications from local businesses.

Local delivery of grant schemes has meant that between 27th March and 31st December 2001, local authorities will have distributed £21 million to those businesses in most need across Wales.

- *General Comments*

Funding for the Rural Business Recovery Fund is welcomed but there are concerns that grants are inadequate to help businesses in the worst affected areas. The reallocation of underspend (£1.1million) from the first Special Grant Report will go some way towards assisting those businesses who are continuing to suffer hardship, but further resources are urgently required.

There is a real risk that there will be a lack of focus on problems identified on the ground. The Assembly Sponsored Public Bodies are not set up to respond to businesses at the local level and this will mean a delay in money reaching businesses when they urgently need it. ASPB's are funding a range of activities but there is little evidence of consultation with local authorities on local targeting and need. It is vital that proper discussions take place so that any duplication and overlap of schemes is minimised.

There is a strong feeling from local authorities that any financial assistance granted under the Special Grant Reports should be exempted from the State Aid Rules. The status of this financial assistance still remains unclear and Councils have had to use the grant in such a way that that did not breach the de minimis rules on state aid for business (100,000 Euros over 3 years). This has meant that the ability to use the grant to assist farmers and agricultural business has been severely curtailed, if not non-existent.

Annex 4 provides an interim update of the different approaches taken by some of the local authorities in Wales. Annex 5 provides information on the administration and use of the Special Grant of £12m.

Welsh Council of Voluntary Associations (WCVA)

In September 2001, WCVA facilitated a meeting between 15 voluntary organisations involved with tackling rural stress and rural mental health in Wales to discuss how to implement the rural stress measures in the Rural Recovery Plan. WCVA was asked by those present to approach the Assembly with a request to manage a rural stress grants scheme on its behalf. A draft scheme was prepared and voluntary organisations consulted on its purpose, aims and criteria. An amended scheme was circulated on 21 November 2001 and work with the National Assembly on implementing the scheme is nearing completion.

Education & Learning Wales (ELWa)

Funding of £1.5m has been reprioritised by from within existing budgets to provide assistance to tourism and other rural businesses and farm diversification schemes across the whole of rural Wales. Actions undertaken fall into three categories:

Activities to Minimise the Effect upon Learner Achievement

- Education-business links have been continued through remote means where possible;
- Discussions initiated with the qualification awarding bodies on how the effect of the outbreak on youngster's ability to complete coursework and prepare for examinations might be accommodated;
- Relaxations put in place to alleviate the effects on young people on ELWa training programmes and guidelines were produced to support training providers in implementing these.

Policies Designed to Minimise the Impact upon Institutions / Providers

- Remote working methods were used to minimise the impact on schools and their education-business links activity where possible;
- ELWa Lifelong Learning Division is seeking to establish the likely impact of the closure of the agricultural colleges and recompense institutions for lost activity in order to ensure that they are

not penalised financially under the year-end reconciliation and reclaim process;

- The policies being implemented to minimise the impact upon trainees will, by and large, also help providers and ELWa had agreed to foot the expense of any additional training allowances.

Policies Designed to Minimise the Impact upon Employers

The National Assembly for Wales agreed that the foot and mouth outbreak could be deemed a significant redundancy situation where ELWa is able to assure itself that those individuals who are laid off directly as a result of the crisis have no realistic prospect of returning to their employment. Those people affected are now, therefore, eligible for easier and faster access to Work Based Learning for Adults (WBLA) programmes.

ELWa are currently reviewing what further reallocations could be made.

Welsh Development Agency (WDA)

- Agri-Food Marketing

Marketing is a key factor in the recovery and development Welsh food markets. Support for action to recapture markets at home and abroad, fund new markets, develop new products and to work with retailers to formulate new ways of branding. The recapture of the red meat markets and identification of markets for light lambs within the UK are priorities. A comprehensive and wide reaching food marketing programme is to be implemented by the WQDA, building on activities currently underway. The thrust will be to secure extended markets for light lambs in the UK through structured in-store promotions with major multiples. Effective branding for Welsh produce will continue to be developed for international markets. Measures are also included to increase product quality through stabiliser projects supplemented by a livestock management and marketing programme and to promote local food supply chain development such as farmers markets.

Of the £3.2m identified in the Rural Recovery Plan, £2m is reprioritised spending from within the Agency's existing budget to support FMD recovery. This includes all Wales trailer promotions with supermarkets and additional support for fairs. Taste of Wales membership fees have been reduced by 50% this year to encourage members to remain within the scheme.

£1 million previously announced by the Minister is also included within the figure and has been allocated on the basis of bids received from the Agri-food Partnership Members. The funding has been earmarked to a number of projects, including an additional £300,000 to Welsh Lamb and Beef Promotions, £200,000 for an advertising campaign to promote Welsh lamb and Welsh beef in conjunction with the Meat and Livestock Commission. Funding has also been allocated to the Beef Lleyl project to improve standards of production and towards the development of new channels for public sector procurement.

In the following two years an additional £1m per annum is to be allocated to WDA for additional agri-food marketing activity associated with FMD recovery.

- Farm Diversification/Alternative Sectors

Additional funding is being made available to the Agency to support the establishment of new strategy groups – horticulture and aquaculture and fishing; together with the development of an action plan for each sector.

£100,000 is being made available in the current financial year, with £200,000 in each of the subsequent two years.

- Community Regeneration Scheme

This scheme will be delivered by the regional divisions of the Agency working closely with the relevant communities and partner organisations.

It will operate on the principles set out in the Agency's Community Regeneration Policy and will be based on the All Wales "tool kit" approach which includes both revenue and capital support. This funding is additional to that which has already been identified by divisions for community regeneration support. The scheme is to be targeted at those rural communities which have been affected by FMD. It will enable the Agency to do more in rural communities where it is already active and to target additional communities for support. It is anticipated that the Agency will be able to support community based regeneration projects in some 10 – 20 locations.

£500,000 is being made available during the current financial year, with £1.5m and £3m respectively in each of the subsequent two years.

- Promotion & Marketing, Communications, Show and Events

A fund, managed by the regional divisions, has been set up to support communications, shows and other events to replace shows that have been cancelled as a result of FMD. These will provide valuable local marketing, trading opportunities and a boost to morale. Of the funding identified in the Recovery Plan, £150,000 is being made available to the Agency in the current financial year, with £200,000 in each of the subsequent two years.

It is not intended to provide compensation for income lost by shows and events which were cancelled as a result of FMD. Priority is being given to supporting activity which helps promote social and economic regeneration of the rural areas.

- Renewable Energy – Farm Woodland & Biomass

£200,000 has been allocated for 2002/3 and £300,000 for 2003/04 to support the development of a renewable energy programme for Wales targeted at the managed utilisation of the existing woodland resource and biomass production.

Details of the scheme are currently being worked up, but will need to complement the work of the Farm Woodland and Biomass Strategy Group and the broader work on the development of an Energy Framework for Wales.

- Infrastructure

Additional funding of £1m has been allocated to the WDA for 2002/03 and 2003/04 to support the provision of business premises in those areas affected by FMD. Proposals are currently being developed in line with our business planning process.

- Support for Rural Business

An additional £500,000 is being made available to the WDA over each of the three financial years to encourage new and existing businesses in Wales to become and remain competitive with a range of business advice and support.

The funding is being managed by the regional divisions to provide enhanced support to businesses who have been affected by FMD. It is intended that the funding will largely be used to strengthen existing programmes to enable enhanced support to be provided to businesses in rural areas who have been affected by FMD. The WDA will work closely with local authorities who are managing a special grant report to assist businesses, together with other services providers.

Forestry Commission

Assistance from the Plan has been channelled towards the implementation of innovative schemes and medium-term activity. A Forestry Festival aimed at attracting visitors back to rural areas and providing support to both tourist and craft businesses was held at Betws-y-Coed in October. Between 8-10,000 people attended the event and outcomes were very positive. A further two festivals had been scheduled for the following weekend, at Garwnant and Cwm Carn.

A Forestry Community Grade Scheme has been implemented to maintain woodlands throughout Wales. This year grant rates have been increased from 50% to 75% to help local economies.

Local people are heavily engaged in contracting work for the Commission. Medium-term action will be implemented from 2002 onwards entailing two types of activity:

An ongoing commitment to hold Forest Festivals on Forestry Commission land, alongside other festivals in the countryside, encouraging treetop walks, specific tourist attractions and additional sporting facilities such as mountain bike trails.

Working with the WTB/CCW to include private woodlands in the integrated tourism, leisure and environment projects including the provision of grant aid to tourist enterprises.

Additionally, schemes launched in Objective 1 areas will be extended to other areas, e.g. the Farm Shelterwood Scheme. The Timber Processing Grant is operated via the WDA under Farming Connect, and the Commission is also looking to introduce ‘sustainability certificates’ for woodland management and timber processing, allowing Welsh businesses to gain marketing advantage by labelling their timber uniquely in the UK as environmentally friendly. Advice has already been given in respect of an Action Plan for the woodland and biomass sectors for completion by Spring next year, and it is hoped that the first meeting of the new Woodland Development and Biomass Strategy Group will be held before Christmas.

Annex 1

WTB Scheme of activity – Rural Recovery Plan

<i>Note</i>		NAW Allocation	2001-02 Forecast Outturn	Allocation 2002-03 Onwards
	<i>Marketing Replacement Fund – ADFER</i>	£1m	£1m	-
	Allows tourism businesses to apply for replacement advertising funding			
	<i>Marketing Advantage Scheme</i>	£200k	£200k	-
	Marketing initiative providing tourism businesses with subsidised advertising space in newspapers			

	<i>Area Marketing Fight Back Fund</i> Available for Area Marketing groups for joint marketing activity, match funding for additional campaigns	£500k	£500k	-
i	<i>Rural Marketing Initiative</i> One-off rural campaign for Spring 2002 working with key partners e.g. National Parks	£500k	£500k	-
ii	<i>Rural Development Fund</i> An integrated product based development fund to carry out and implement product development strategies. This was envisaged as medium/long term strategy.	£2m	£400k	-
iii	<i>Investment Replacement Fund – ReAct</i> Available for tourism business to support immediate reinvestment needs to maintain quality	-	£1m	-
iv	<i>Grading Fee reduction</i> WTB is awarding a 50% reduction on grading fees	-	-	-
	<i>Integrated Tourism, Leisure & Environmental Projects</i> A joint scheme with CCW – seeking to increase opportunity for rural development	£5m	-	£5m
v	TOTAL	9,200	3,600	5,000

Notes

i The Rural Marketing Campaign is planned for the Spring, with £500k committed, although not yet spent.

ii The Rural Development Plan was intended to assist product-based development over more than one year. This fund will assist WTB in commencing work linked to the £5m joint scheme with CCW (Integrated Tourism etc).

iii Approvals and allocations of ReAct are currently being made, although there will be a time-lag before the cash is spent.

iv No allocation was made against grading fee reductions, although WTB will fund £149k to assist with a 50% grading reduction next year.

v £600k remains in 2001-02 to reappportion over one or more of the above schemes, given flexibility by NAW.

Annex 2

TOURISM PERFORMANCE 2000/2001

A. TOURISM EXPENDITURE TO WALES 2000

	£ (million)
UK Spend	1.654
Overseas Spend	267
Day Visits Spend	775
	2.696

Source: *United Kingdom Tourism Survey*
International Passenger Survey
Leisure Day Visits Survey (estimates)

B. UK TRIPS /EXPENDITURE TO WALES: Jan – June 2001

	Trips 2000 (million)	Trips 2001 (million)	Change 2001 v 2000 %	Expenditure 2000 (£ million)	Expenditure 2001 (£ million)	Change 2001 v 2000 %
January	0.6	0.5	-17%	67.7	58.4	-13%
February	0.7	0.5	-28%	70.5	59.3	-16%
March	1.0	0.6	-40%	110.2	73.6	-33%
April	1.4	0.8	-43%	151.7	105.9	-30%
May	1.4	1.2	-14%	164.0	178.5	+9%
June	1.1	1.2	+9%	157.0	142.2	-9%

January – June	6.2	4.8	-22%	721.1	617.9	-14%
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Source: United Kingdom Tourism Survey

C. VISITS OF ONE NIGHT OR MORE (UK + OVERSEAS) PLUS DAY VISITS

Total Estimated Expenditure Losses in Wales January to June 2001 (Overnight & day visits)

	Jan – June 2000	Jan – June 2001	<u>First half loss</u>	First half loss
	Expenditure	Expenditure	(£ million)	(%)
	(£ million)	(£ million)		
Overnight visits (UK)	721.1	617.9	103.2	-14%
Overnight Visits (O'seas)	102.0	76.5	25.5	-25%
Day Visits	387.5	333.5	54.0	-14%
TOTAL	1,210.6	1,027.9	182.7	-15%

*Source: United Kingdom Tourism Survey
International Passenger Survey (estimates)
Leisure Day Visits Survey (estimates)*

Annex 3

Impact of 11 September 2001 Events on Tourism to Wales

Background

There can be little doubt that the terrorist attacks which took place on 11 September will have a significant short term and lasting impact on tourism demand for Wales. In addition the "war on terrorism" which began in earnest on 7 October will also influence attitudes, consumer confidence and travel plans in the immediate future. This paper will seek to define the possible short and medium-term impacts of these major global events. It will also assess the extent to which the risks for Wales can be offset and how the WTB might amend planned activities and messages.

Short-term impacts

In the short-term (up to the end of December 2001) international travel will decline sharply. Fear of flying, the risk of further terrorist reprisals and a desire, particularly amongst Americans to be with family and loved ones, will lead to postponed or cancelled trips. The impact will vary from country to country. Recent meetings with the British Tourist Authority suggest that the following reductions are likely until the end of 2001.

USA – 40 to 60 percent

Canada – 30 to 40 percent

Australasia – 20 to 25 percent

Europe – 10 to 15 percent

It must be stressed that such figures can only be estimated at this stage. This short-term impact will vary from country to country. There is little that can be done in marketing terms to offset this initial short-term drop in international visitors. The final quarter is, however, relatively quiet for international visitors. WTB estimates the financial impact on Wales will be around £20 to 30 million.

It is possible of course that British residents who had planned international travel, particularly City Breaks, will also be deterred. Some will substitute UK trips and Wales will benefit from this.

The British Tourist Authority estimates that Britain's tourism industry stands to lose around £2.5 billion this year as the combined effects of foot and mouth disease and the recent terrorist attacks in the US take their toll. Spending by overseas visitors to Britain – originally forecast at over £13 billion - is now likely to be somewhere around £10.8 billion, a drop of nearly 20%.

Medium-term impacts

In the medium-term (defined as 2002) the impacts will depend greatly on the nature of the US led response to the atrocities and subsequent terrorist reprisals. Using the impact of the Gulf War as a benchmark, BTA estimates the following potential reductions for 2002.

USA – 20 to 25 percent

Canada – 15 to 20 percent

Australasia – 10 to 15 percent

Asia – 15 to 20 percent

Europe – 5 percent

Once again, a number of variables and imponderables will effect these estimates. North American travellers are most likely to postpone international travel plans and stay within the USA and Canada. As far as Europe is concerned, however, the decline is likely to be less dramatic although other factors such as the strength of the pound and memories of foot and mouth are also likely to dampen demand. At this stage it seems reasonable to assume an overall decline of 15 percent in international tourism to Wales during 2002 – a loss of £40m to the Welsh economy.

It is also reasonable to assume, however, that British residents may be less inclined to take holidays abroad particularly to North America and Asia during 2002. There will be an opportunity, therefore, to generate growth in 2002 from the UK market.

Long-term impacts

Predicting the long-term impacts (post 2002) is highly speculative. It seems likely, however, that the previously predicted growth in international air travel over the next five years will not materialise to the expected level. Airlines are cutting capacity and combined with the extra security and insurance costs, there will be less low-cost fares which will stifle demand. In addition, generally heightened fear and uncertainty will take time to be overcome.

Adapting messages

Previous research indicates that for many actual and potential visitors, Wales is perceived as a safe destination, with a strong sense of community and offering traditional values. These positive perceptions combined with the fact that much of Wales is seen to offer a natural escape from the pressures of modern living offers the opportunity to position Wales as a haven for both UK and overseas visitors. Clearly this needs to be done with some sensitivity but we will look at creating appropriate messages. We believe that travellers will view driving holidays as offering a safer environment and WTB will examine ways of taking advantage of this in future campaigns.

The need for flexibility

Flexibility will be crucial in the coming months. There will be a need to reallocate resources, re-evaluate activities, cancel or postpone campaigns and adapt messages. WTB will monitor the situation closely. In planning campaigns WTB will, as far as is possible, allow for the need for last-minute changes. There may be a need for greater flexibility in terms of the end of financial year carry over.

UK Marketing Approach 2002

Recent research conducted by the ETC and other anecdotal evidence received from the industry in Wales suggests that many UK residents will be less inclined to holiday overseas in 2002. The WTB will be launching a major new UK campaign which will break in January 2002 under the campaigns theme of "Wales the Big Country". The promotion will position Wales as the ideal destination for both main holidays and short breaks. Pathway to Prosperity and Objective 1 funds will be used to launch a main season initiative on television in the Granada, Central, HTV West, Meridian regions. There will also be strong coverage on Sky television nationally. In recent years due to budget restrictions WTB was not able to be on television in January/February. Our television campaigns commenced in the Spring to stimulate short breaks. The January activity will directly compete with overseas destinations for the main holiday market. We will then return to television probably in April and May 2002.

International Marketing Approach 2002

It has long been recognised that Wales' share of the international visitor market to Britain is relatively low and that Wales has not enjoyed high levels of recognition amongst potential international travellers. In order to remedy this situation, the WTB has previously sought additional resources directly from the National Assembly for Wales and through the Objective 1 programme. The arguments and case making put forward by the WTB have been accepted by the National Assembly and in the current financial year the total marketing resources at the disposal of the WTB is circa £16m compared with circa £6m in financial year 2000/2001.

Prior to September 11th, the WTB was in the process of developing further proposals to bid for an additional £3m specifically to overcome the negative impacts of Foot & Mouth in our key international markets. However, the uncertainty created since September has led the WTB to believe it would be inappropriate to proceed with its request for a further £3m at this stage. Nevertheless, we believe that the huge task of establishing Wales as a world class international destination has to start now.

According to the International Passenger Survey, in 2000 Wales received 980k international visitors who spent £269 m. during their stay. This represents a share of international visitors to Britain of 3.9% and a 2.1% share of spend.

There is clear potential for growth. Indeed the WTB believes that despite Wales' dependence on the domestic market, Wales will not fully achieve its potential as a tourist destination unless it attracts significantly higher numbers of high spending international visitors over the next 10 years. A growth in numbers of overseas visitors will help generate improvements to Wales' tourism infrastructure, drive up product quality, improve service levels and stimulate fresh, innovative tourism products and businesses. They will also help the seasonal spread of tourism.

It is slightly ironic that at a time when we do have more resources available for international marketing the market conditions appear so unfavourable. We believe that there are 4 key factors which are driving down demand in the short term. The high £, the worsening economic climate in key source markets, the residual impacts of Foot & Mouth and the factors resulting from September 11th.

As a result of terrorist incidents, nervousness and uncertainty will dominate the marketing environment in the short term. The key factors at work are:

- World-wide fear of flying
- Belief that holiday taking is "not right" although this feeling is gradually receding.
- Concern over airport delays/long waits
- 20% reduction in air capacity – short term
- Concerns over military escalation in the Middle East.
- Growing worldwide fears of recession.
- Fear that support of US makes Britain a target and London a risk area.

- General uncertainty resulting from the country being "at war", however distant it may appear.
- Concern over a lack of proximity i.e. the desire to be close to home at times of crisis/emergency.

Applying BTA forecasts to Wales could mean a loss of between £50-52m in 2001 and between £54 – 74m in 2002.

The longer-term scenario is even more difficult to predict. On the one hand there is the possibility that continued nervousness regarding international travel combined with potentially higher costs resulting from capacity reductions and extra security will continue to dampen demand. However the tourism industry has over the years demonstrated its resilience and an ability to recover.

Memories of September 11th will fade and potential travellers will become conditioned to the new reality. The underlying desire to see new and different places will still be there. Further high profile atrocities will of course, however, lead to fresh uncertainty.

The New Challenge

The WTB believes that if Wales is to become more competitive and attractive to international visitors in the medium term, the task must begin now. Our vision must be to establish Wales as a world class international destination in its own right. Although Wales can benefit from association with Britain and in particular its role as a global hub, Wales has to develop its own identity profile and infrastructure. The unique opportunity created by Objective 1 funds should not be missed. Moreover, we feel that other tourist boards may be decreasing spend in the short term, thus improving our ability to gain a share of voice. There is little doubt that without additional funds the WTB would have to bolster the UK budget – the September 11th incidents are likely to encourage more people to holiday within the UK at least in the short term. However, through the additional resources already approved, we will be able to significantly enhance our UK campaign without diverting funds from overseas to a large extent.

The challenge for 2002 will be to maximise the opportunities in the UK market whilst investing for future success in targeted international markets.

In general terms, the WTB's new Marketing Strategic Action Plan recognises that future success will only be achieved if we begin to make progress in 10 key areas:

- Present a positive brand image for Wales
- Successfully identify the target market segments that will deliver our objectives and targets.
- Improve the bookability of Wales' tourism product
- Take advantage of new technology
- Develop effective marketing partnerships both within and outside Wales
- Increase the average spend of visitors to Wales.
- Extend the tourism season in Wales
- Nurture improvements in the competitiveness, professionalism and confidence of our tourism

businesses.

- Develop effective customer relationships.
- Promote a shared vision within our tourism industry.

Our international marketing effort will concentrate on making progress in all of these key areas. We will of course, adapt messages and campaigns to take full account of the current circumstances. The following will be key elements of our planned approach:

(i). Significantly Enhanced Brand Response Campaigns – We are currently in the process of developing new campaigns in our primary international markets of USA, Germany and Holland. These campaigns will run alongside planned BTA activity. They will begin to lift Wales' profile amongst target audiences and stimulate response for further information. The campaigns will evolve from the overall positioning of "Wales will inspire you" and will reflect the core values and assets that will be even more important in today's uncertain world – the friendliness and warmth of our people, the strength of our communities, the safe environment, the presence of traditional values, our unique culture and heritage and the restorative and inspirational nature of our landscapes. These campaigns will build awareness and improve our competitive position whilst helping to stimulate demand in the short term.

(ii). Packaging and Bookability – We will create a new business development team whose role will be to encourage tour operators in all key markets to promote Wales. Success will greatly depend on our ability to encourage the trade in Wales to work with overseas operators through offering commissions, allocations and by adapting their product for international visitors. There will also be a need to create new and innovative products meeting the needs of international visitors. We will begin a series of heavily subsidised international trade missions to expose our businesses to the overseas market. The new DMS system will also be a major boost to Wales' ability to improve the ease of booking of our tourism product which has traditionally been unable to reach overseas markets.

(iii). Media Exposure – we will continue with our programme of generating coverage for Wales in travel and lifestyle media overseas. We work with media consultancies in all our primary markets and facilitate media visits to Wales.

(iv). Consumer Promotions and Exhibitions - we will expand our overseas exhibition programme through the Tramor partnership initiative with local authorities. 15 events will be covered in 2002 and 4 shows will be supported by Welsh Food Promotions. We will identify other promotional opportunities with tourism and non-tourism partners.

(v). Specific Segment Initiatives – We are developing new campaigns designed to target segments already more pre-disposed to Britain/Wales. In some cases these segments may already have taken the decision to visit Britain and in some cases already be in Britain. Such segments are usually easy to identify and communicate with. Our car touring initiative will target the independent motor tourist especially from Europe these visitors are not on pre-planned/booked itineraries and can be influenced to divert to Wales. We will also target the youth/backpacker segment who are on extended stays in Britain

or are studying or working here temporarily. There have been considerable improvements in Wales's product offer for this segment in the last few years. We will also target the worldwide Welsh community to build on the success of the Homecoming 2000 initiative.

In addition to all of the above, we will be expanding or launching new initiatives covering events, golf, activities and business tourism. The scope for growth in all of these areas is impressive but the cost of exploiting and maximising these opportunities is also significant. Where relevant we will make cases for ring fenced additional resources to fund new initiatives to support the opportunity presented by Ryder Cup (we believe that Ireland's golf budget is £4m alone).

Finally, it is important to note here that promotional activity alone will not be sufficient to establish Wales as an international destination. There are certain key infrastructure elements which we need to nurture or create such as:

- A Gateway International Airport
- A Convention Bureau
- Specialist ground handling companies
- A sense of place (delivering the promise of being in a different country)

Monitoring Success

Given the current uncertainty which makes volume predictions difficult to assess in the short term, we feel we must focus on return on investment analysis to demonstrate that our work is having an impact and is generating visits that otherwise would not have happened even in a static or declining market. We will be aiming for an average return on investment of around 10:1 for all monitorable activities aimed at overseas markets. We will also be initiating bench marking and perception studies to measure improvements in awareness and understanding of Wales. We will agree a full range of performance targets with NAW officials.

Conclusion

The current climate for generating international visits to Wales is extremely challenging, but there is still a huge opportunity for Wales. Under the circumstances we believe that in the short term it would be imprudent to continue with our request for a further £3m. However, we do believe we should commence now with the huge task of improving our international competitiveness. When the market conditions improve we want Wales to be in a stronger position to win business. This will require further injection of resources at that time. We will continue to monitor the situation closely and flexibility will be vital. We will continually review resource allocations and our assessment of the resource levels required to achieve planned objectives. It is important that we notify the NAW that if we are to make the same impact in the international market place that we made in the UK during the FMD crisis we will require sufficient resources to deliver a clearly defined strategy which firmly establishes Wales in our key international markets.

Update on the Local Authority Rural Business Recovery Fund

This provides an interim update of the different approaches taken by some of the local authorities in Wales.

Powys County Council

- Received £2,430,000
- Formal closing date in Powys was the 17th September but late applications are still being received. Absolute final deadline is 31st October
- To date there is a verified database of 1398 applications.
- The likely number of businesses to receive assistance is still as yet unclear. The sifting and processing is still ongoing and a number of applications will be ineligible due to State Aid Rules limits, farming operations etc, or because of certain criteria that the Council has set in order to ensure that the assistance is targeted at the hardest hit businesses. It is estimated that 1250 will receive assistance, which does not allow a particularly high level of help per business.
- The breakdown by sector of applications seems to be:
 - Tourism 46%
 - Retail 15%
 - Agricultural support 9%
 - Leisure activities 8%
 - Manufacturing 5%
- On the 10th October a Council Sub-Committee met to receive a position report and agree certain criteria in the determination of applications. On the 17th October the first meeting of the Powys Business Forum will be held when feedback will be sought on the proposed criteria and any additional views will be considered on the targeting of hard hit businesses. On the 6th November the Sub-Committee will meet to determine the applications. The Sub-Committee has been granted delegated authority to make the decisions. It is hoped that cheques will be issued before the end of November.
- The Council has agreed to reserve £75,000 of the allocation to assist tourism operators who have

paid for advertising in the Council's tourism brochure for 2001. To compensate for the wasted investment all existing advertisers will advertise for free and new advertisers will be offered a 50% discount in the cost for the 2002 brochure. This has been very well received.

- The Council has also decided not to draw on any of the 2.5% Special Grant facility to cover administration costs, all of which will be borne by the Council including any additional costs that may arise from the Rights of Appeal to the decisions made by the Council.

Gwynedd Council

- Received £1,800,000
- To date, the Council has distributed 728 application forms. Application forms have also been distributed by Business Connect and are available on the Council web site.
- Likely number of business assist and levels of grant to be given are not yet known. Grants will be given out in December
- Main type/sector of businesses which are asking for assistance:

Tourism
Agricultural ancillary
Retailers

- The Council is also using the money for a Marketing Development Fund and Specialist Advisors. Servicing cost of loans and borrowings is under consideration.

Carmarthenshire County Council

- In May 2001 Carmarthenshire County Council was allocated £1.15 million by the National Assembly for Wales to assist businesses that had been adversely affected by the Foot and Mouth crisis.
- As of September 17th 2001 the current position is outlined below, detailing funding allocated

Support	Amount	Businesses Assisted
Rate Relief	£400,873*	652
Mart Rents	£162,500	3
Business Advice	£ 36,000	110

Individual Marketing Support	£101,000	152
Carmarthenshire Marketing Campaign	£140,000**	
Hardship Grant	£266,930	36
Administration (2.5%)	£ 28,000	
Balance	£ 14,897	
Total	£1,150,000	953

Rate Relief

* This figure is based on Rate Relief to the value of £1,603,500. 75% is offset against the Councils contribution to the non-domestic rate pool. 25% is funded from this fund.

** Based on 218 businesses requesting this activity

Rural Recovery Fund Additional Allocation

- Carmarthenshire received an additional £510,000 as part of the Rural Recovery funding Package.
- There are still a substantial number of applications for support outstanding and it is proposed that the additional funds be allocated to the existing initiatives for business support. These figures are based on an assessment of need against each of the initiatives

It is recommended that the following indicative allocations be made:

Support	Amount	Businesses Assisted
Rate Relief	£80,000*	40
Mart Rents	£62,750	
Business Advice	£ 4,500	
Individual Marketing Support	£15,000	20
Carmarthenshire Marketing Campaign	£35,000**	
Hardship Grant	£300,000	40

Administration (2.5%)	£ 12,750	
Total	£510,000	100

Rate Relief

* The Council has been advised by the National Assembly that the 75% contribution from the non domestic rate pool will not be available for Rate relief paid from this additional funding.

Isle of Anglesey County Council

- Received £710,000
- 37 hardship applications have been received to date (closing date is not until 31st October)
- 17 businesses have specified how much assistance they require - this totals £91,117. This averages at £5,359 per business for the 37 application received so far. If all 37 applications received this amount this would give a total claim of £198,313.
- 207 applications were received in the first round. If all these applications were received again, claims would be £1.109m; however, the Council estimates about £500,000 would be nearer the mark.
- Breakdown of businesses applications currently received is as follows:-

Tourist 9
Retail 10
Leisure 3
Hospitality (hotels/pubs/cafes) 6
Machinery sales/repairs 3
Manufacturing 2
Garages 2
Haulage 1
Others 2

- Other activities that the Council will be undertaking with the money are:

Marketing / Image study
Marketing activities
Business Associations for joint marketing

Business development & e-commerce
Administration

Ceredigion Council

- Received £420,000
- Advertisement placed in local press – closing date for applications 16th November but 86 application forms have already been issued.
- Number of business assisted/level of grant given and main type/sector of business - not yet known.
- No other activities by the Council have been considered to date

Caerphilly County Borough Council

- Received £90,000
- To date 5 grants have been distributed totalling £20,000. Grants have ranged from £2,500 to £5,000
- Businesses assisted include an agricultural auctioneer, a guest house, caravan site, holiday provider and a caravan supplier/repairer
- The Council has not undertaken any other activities as yet with this money.

Torfaen County Borough Council

- Received £40,000
- 14 applications received so far (closing date 29th October) but expecting a further 6-8 applications
- 9 accommodation providers, 1 attraction operator and 4 businesses providing a direct service to the agricultural sector have been assisted.
- All available grant money will be spent – grants will be paid out by mid November
- £25,000 has been allocated for direct grants whilst the remaining £15,000 has been used to develop a promotional website for the Borough and to cover the cost of attending tourism fairs in the spring to "kick start" the year for local tourism businesses.

Bridgend

- Received £50,000. £30,998 committed so far.
- 8 applications been approved or are being reviewed – expecting further applications following advert placed in local press.
- Applications supported include a tourism operator (holiday accommodation), a local agricultural show, and a mobile farrier
- Grants have already been distributed to those applications approved
- The Council is also using the grant for marketing purposes aimed primarily at the tourism sector

Merthyr Tydfil Borough Council

- Received £30,000
- To date 17 applications have been received. 25 applications were received for the last round when there was £100,000 to allocate
- Many of those that were supported in the first round have re-applied, the majority from hotels, guesthouses and leisure related activities. Recipients from the first round are not precluded from re-applying.
- Maximum grant will be £10k as before and a hardship grant based on a figure equivalent to lost profit.
- Decision likely to be taken at the end of November by Cabinet with cheques following soon after this date.
- This authority has also agreed to use its economic development budget to supplement this fund as is considered necessary.

City & County of Swansea Council

- Received £80,000
- Following discussion and agreement with business representatives, the intention is to fund an initiative to attract more visitors to the rural areas of Swansea during the winter period.

- There is no intention to call for further individual applications

Rhondda Cynon Taff County Borough Council

- Received £120,000
- 25 applications received
- 18 businesses assisted with a maximum grant of £7,500 - Levels may be revised towards end of programme. Grants likely to be distributed in mid November
- The main type/sector of businesses which are asking for assistance include Tourism, Craft, Agriculture support and Manufacturing
- The Council is also using the money to undertake a marketing initiative

Cardiff County Council

- Received £130,000
- 5 applications have been received to date but more awareness and marketing taking place.
- The business sectors for which assistance has been prioritised are tourism and food sectors.
- The expected take up of allocation across business sectors against the priority sectors identified is difficult to estimate at this stage, as there is still 3 months to commit funding.

Blaenau Gwent County Borough Council

- Received £40,000.
- 10 enquiries for assistance received so far
- The businesses that we have so far been in contact with are evenly distributed over manufacturing, service, haulage & transport, leisure and tourism sectors.
- Applications will be approved and financial support allocated in mid December.
- The money allocated to us is being spent on publicity of the assistance available and assisting businesses to formulate and implement a recovery plan

Administration and Use of the Special Grant of £12m for Financial Assistance for Businesses Adversely Affected by Foot and Mouth Disease, April to July 2001

This annex sets out the results of a survey undertaken by the Welsh Local Government Association in August 2001

- Summary

Councils expected to spend 93% of the grant (£11.2m) by the revised deadline of 31 July.

16 councils provided rate relief worth £9m to 4,800 businesses because of the hardship they were facing. Rate relief was given for 3 months upwards, with many businesses receiving 100% relief for the whole of the financial year 2001-02. It is estimated that across Wales over 6,500 businesses received rate relief.

These councils also provided grants worth £4.8 million to 2,200 businesses (some of which will also have received rate relief). It is estimated that across Wales about 3,000 businesses received grants.

The grants were given for a variety of purposes including:

- marketing and advertising
- business regeneration
- rents, trade refuse charges and utility bills
- to offset lost trade
- activities undertaken by umbrella organisations.

Some councils provided detailed information about which sectors of the business community had received help. The figures need to be treated with caution but suggest that at least 40% of the financial assistance was given to businesses providing tourist accommodation (hotels, guest houses, caravan parks etc.).

Councils took a range of other steps to assist businesses including:

- deferring or rescheduling payments of business rates and, in some cases, other charges
- tourism marketing activities
- additional publicity
- advice through Business Connect
- setting up a task force
- making the rural rate relief scheme more generous.

- Coverage of the survey

This report is based on survey returns from 16 out of 22 county and county borough councils, from all parts of Wales including urban and rural areas (73% return rate). These councils were allocated £8.885 million of the special grant of £12 million (74%).

The assistance of the following councils in completing the survey is gratefully acknowledged:

Blaenau Gwent, Bridgend, Cardiff, Carmarthenshire, Ceredigion, Conwy, Flintshire, Gwynedd, Merthyr Tydfil, Monmouthshire, Neath Port Talbot, Powys, Swansea, Torfaen, Ynys Môn and the Vale of Glamorgan.

Information in the report is not attributed to particular councils. Information on estimated expenditure at 31 July 2001 is based on a 100% return.

- Chronology

27 February: First confirmed case of foot and mouth disease in Wales.

27 March: £12m grant announced by Minister for Finance, Local Government and Communities. Each council would receive an allocation, ranging from £100,000 and £1.5 million. The grant could be used for a range of purposes, including giving rate relief, but had to be for costs incurred in the period 1 April to 30 June 2001 in "providing financial assistance to businesses whose trade is adversely affected, directly or indirectly" by the outbreak.

5 April: Special grant report No.7 approved by National Assembly. Contained some guidance about priorities for support.

9 April: Section 2 of the Local Government Act 2000 was brought into force early by the Assembly, to allow councils to use it to provide support.

12 April: Detailed guidance note issued by WLGA.

11 June: Assembly announces that deadline for using the grant is to be extended to 31 July.

19 June: Assembly approves special grant report No.13 to extend the deadline.

6 July: Assembly asks councils to identify by 20 July likely level of expenditure of grant.

- Expenditure

Councils predicted that they would spend 93% of the grant (£11.2m) by the revised deadline of 31 July. This figure is not final and may change because of decisions taken in late July and as a result of audit.

At least 50% of councils expected to spend their allocation in full.

The inability of other councils to spend their allocations in full is not necessarily their fault.

The distribution of grant decided by the Assembly was not sufficiently sensitive to need to spend – which was not surprising given the speed with which the grant was announced and the impossibility of predicting, at that time, how the outbreak would impact on businesses in every part of Wales.

- Informing business

All the councils contacted businesses in one or more ways to invite them to apply for assistance. This ranged from an advertisement in the local press and radio to mailshots to all businesses in the area or targeted groups (for example, tourism-related businesses). Other communication included press releases, contacting chambers of commerce or Citizens' Advice Bureaux, information on the council's web site and a telephone hot line. Examples of specific actions include:

- council A sent a letter and application form to 3,300 businesses with a rateable value less than £50,000;
- council B sent 2 mailshots, to 4,400 and 7,000 businesses respectively;
- council C sent a letter and application form to all 1850 business rate payers in its area, other than buildings occupied by local authorities, telephone masts and advertising hoardings;
- council D contacted 2,000 businesses in the tourism, agriculture-related and retail sectors on 3 occasions.

In total, the 16 councils contacted well over 30,000 businesses.

- Administration

All the councils in the survey required an application to be made, generally on a form. A couple of councils allowed the form or supporting information to be submitted electronically. Councils set deadlines for applications to be made, to ensure that they could assess them and take decisions before the statutory deadline for using the grant.

In the majority of councils, decisions on financial assistance were taken by panels of members advised by officers. The remaining councils set up other arrangements for decision-making including:

- panel of members and officers
- cabinet member for finance
- cabinet member and director of corporate services

- director of finance in consultation with members' panel
 - officers
 - officers subject to member endorsement
 - officers' panel subject to appeal to members' panel.
- Financial assistance provided

All but one of the 16 councils received applications for and gave rate relief on grounds of hardship, under section 49 of the Local Government Finance Act 1988. In total, these councils received over 5500 applications and awarded rate relief worth £9.1 million to about 4800 businesses, representing 88% of those that had applied. Two councils in the survey accounted for over half of these figures. The average value of rate relief awarded was £1,900.

The average for individual councils ranged from £600 to £4,600 which reflects factors such as the number and nature of the businesses being helped and the variation in rateable values. For example, the council with the highest average gave rate relief to only 7 businesses, suggesting that one or two of them had high rates bills. Councils considered applications from all types of business although many of them limited the amount of relief either in terms of type of business, rateable value or period. Examples of the rules that councils operated included:

- Criteria-based on number of employees, retention of employees, losses incurred;
- rate relief limited to £7500, with a restricted period of relief for businesses with a rateable value over £50,000;
- 100% relief for 12 months where the rateable value was less than £50,000;
- 12 months relief where losses were evident for tourism, agriculture and leisure- related businesses. Other businesses received 3, 6 or 12 months relief;
- 3 months relief only, unless there were exceptional circumstances;
- common policies for similar businesses: e.g. 12 months relief for all B&Bs; 6 months for gift shops.

Subject to any broad criteria such as these, the majority of councils decided each application on its merits. Only 2 councils reported operating a blanket policy for hardship relief. Council L gave a set percentage of relief, while Council M gave a standard level of relief if a business returned a simple tear-off slip: further relief could be made available if the detailed application form was completed.

The 16 councils reported that they had decided not to give hardship relief in nearly 700 cases (12% of applications received). Reasons for rejecting applications included:

- failure to supply information to demonstrate effect on trading;
- applications received after the deadlines that councils had set;
- a business which had ceased trading before 1 April and paid its bill for the previous year in full.

One council had received 150 applications for assistance after it had committed all the grant that was available to it.

One of the 16 councils had changed its rural rate relief scheme under section 47 of the Local Government Finance Act 1988. 25% relief was increased to 100% for those businesses which applied. 61 did so and received relief worth an average of £1,000.

13 of the 16 councils had deferred payment of business rates, usually where businesses asked for such help. Two councils were not taking recovery action on arrears for the time being. Most councils deferred payment for 2 or 3 months and reported no more than 20 cases of deferral. Council S had deferred payment for 290 businesses for 4 months, while two other councils deferred payments for businesses while their applications for financial assistance were being considered.

4 of the 16 councils had deferred various other payments that were due to them. The number of businesses being helped in this way was not significant.

Two councils mentioned deferment of payments by county farm tenants.

All the councils reported giving, under section 2 of the Local Government Act 2000, grants worth £4.8 million to 2,200 businesses. Some of these businesses will also have received rate relief.

One of the 16 councils also relied on the economic development powers in section 33 of the Local Government and Housing Act 1989 until they were repealed on 28 July.

Among the 16 councils, the average grant given was £2,100.

The average for individual councils ranged from £400 to £5,900. The more urban authorities, which helped a relatively small number of businesses, tended to provide higher levels of grant, but the pattern was not uniform.

The grants were given for a variety of purposes including:

- marketing and advertising;
- business regeneration;
- rents, trade refuse charges and utility bills;
- to offset lost trade or turnover;
- waiving rents for 3 council-owned markets, and providing assistance to the operators of 3 other markets to pay their rents;

- activities undertaken by umbrella organisations, such as a local accommodation forum.

Some councils set a ceiling for grants for individual businesses (examples include £10,000 and £12,500) while another council adopted a common policy of grants for certain businesses (e.g. £2500 for each rural public house).

- Financial assistance: sectoral analysis

Six of the 16 councils were able at this stage to provide detailed information about which sectors of the business community had received help. The information provided did not always use consistent definitions. This, and the small sample size which is not necessarily representative, means that the figures need to be treated with caution.

Based on the information from these six councils, £4.9 million of financial support in the form of rate relief and grants was allocated as follows:

Tourist accommodation (hotels, guest houses, caravan parks etc.)	42%
Visitor attractions and activities (e.g. outdoor pursuit centres, zoos, horse-riding, sporting facilities)	7%
Agriculture and agricultural support industries (e.g. farmers, feed merchants, haulage firms, auctioneers)	8%
Agri-food businesses	3%
Other businesses (e.g. restaurants, public houses, shops)	40%

Agricultural land is exempt from business rates and there are strict controls on financial support for agricultural businesses under the European Commission's rules on state aid.

These factors may explain why the agricultural sector received a relatively low level of assistance. The bulk of recipients of assistance seem to have been tourist accommodation, public houses, restaurants and a wide range of rural and tourism-related shops and businesses. A couple of councils gave specific examples of businesses that had been helped, illustrating that the effect of the outbreak was felt across a surprisingly wide range of businesses:

- fishing tackle shop;
- leisure clothing firm;
- manufacturer of foam products;
- rosette manufacturer;
- retailer of camping equipment;
- coach companies;

- car auctioneer.

- Non-financial assistance

In addition to rate relief and grants which were of direct financial benefit to businesses, a number of the councils reported that they had provided other assistance which would benefit businesses affected by the outbreak. These activities were funded from councils' own resources, not from the special grant. They included:

- tourism marketing activities (one council spent about £37,000);
- supplementing normal advertising campaigns with press releases and other methods of support;
- information on the web site about what is and is not open;
- advice through Business Connect;
- setting up a task force;
- reminding business of support available from the local enterprise agency.

Footnote: how the 16 councils' figures were used to provide estimates for Wales. The numbers of businesses receiving rate relief and grants in the 16 councils were inflated in proportion to: the amount of the £12m special grant received by those councils; the number of hereditaments subject to business rates in the 16 councils compared to the total for Wales; and the rateable value of those hereditaments compared to the total for Wales. Statistics for the second and third estimates relate to April 2000.

These methodologies produced estimates in the range of 6,500 to 6,700 for the number of businesses that received rate relief and in the range of 3,000 to 3,100 for the number of businesses that received grants.

Appendix 2

EU Sheepmeat Regime

Funding provision for the national envelope

1. Council Regulation EC2529/2001 sets out a total provision of €72 million for national envelopes within the EU to be spent annually. The national envelope provision can be applied at a regional level within a Member State. The UK allocation is €20.2 million (some £12.5 million at current exchange rates). Distribution within the UK is estimated at:

	£m
England	5.37
Wales	3.50
Scotland	2.75
N. Ireland	0.88

2. The Council calculation is based on the number of premia paid in 1997, 1998 and 1999. For planning purposes, the national envelope provision for the UK has an assumed value of €1 per eligible animal.

3. The Council Regulation (and supporting Commission Regulation) does not impose a time limit for the operational duration of the national envelope.

4. Member states (and at regional level) can increase the size of the national envelope by reducing the basic premium by up to €1.

Distribution of the national envelope

5. For Wales, the national envelope provision is for use within the sheep sector.

6. My initial thinking for the 2002 scheme year is to distribute the national envelope by adding €1 to the fixed rate basic premium (ie to increase that payment to €22 per eligible animal). This will be subject to discussion with key interests and without prejudice to arrangements to be adopted for the 2003 scheme year and beyond. Officials will be working with industry interests to prepare detailed proposals for consultation about the operation of the national envelope in Wales in the longer term.

7. Member states have to notify the Commission by 30 April each year on how they intend to apply the national envelope. Such notification will take account of the planned discussions in respect the approach in Wales for 2002, and about our intention to consult on the options for 2003 and thereafter.

Possible options for administering the national envelope

8. The funds available through the national envelope are to be used to make additional payments to producers or to assist the sheep sector in other ways. Schemes funded by the national envelope could take the form either of annual payments to producers, in the form of extra headage payments or area payments, or one-off or time limited contributions to such things as start up costs, pilot projects and feasibility studies. Schemes could also involve a combination of both forms of payment. For example, a scheme to reduce sheep numbers in sensitive areas could involve a capital payment to purchase quota from a producer, followed by an annual payment to offset the loss of SAP receipts in respect of the

quota surrendered.

9. Possible options might cover:

- extra headage payments, either to supplement the basic premium or as extensification payments linked to lower stocking levels;
- area payments;
- payments to producers engaged in specific types of production in particular those related to quality that are important to the local economy or to the protection of the environment;
- encouraging the restructuring of producers' holdings or the development of producers' organisations;
- support for the improvement and rationalisation of the processing and marketing of sheepmeat; and
- purchase of quota from producers to be retained by the Member State and not allocated to producers.

10. These options might be further refined to include:

- schemes to reduce sheep numbers in areas where over-grazing is adversely affecting the environment;
- schemes to promote traditional breeds of sheep, to safeguard genetic composition of the national flock;
- schemes to re-establish flocks, including hefted flocks, in parts of Wales where flocks important to the local economy, to the environment or of traditional breeds, were culled due to FMD;
- schemes to encourage farm assurance, producer co-operation and improved marketing of sheepmeat.

11. The work associated with preparing proposals for consultation will need to consider, and invite comment on, whether the national envelope should comprise several options that in turn offers producers the opportunities to use a combination of those options.

Secondary Legislation

12. Implementation of the reform to the EU Sheepmeat regime will require Assembly legislation before the summer recess. Subject to timetable constraints, the intention is that the legislation will be considered in plenary.

The Wildlife Incident Investigation Scheme (WIIS) was introduced in the early 1960s in response to concern over bird poisoning involving the agricultural use of organochlorine insecticides. The original aim of the scheme was to identify problems arising from the commercial use of pesticides approved originally under the non-statutory Pesticides Safety Precautions Scheme (PSPS), and subsequently under the Control of Pesticides Regulations 1986 (COPR).

The scheme was re-launched in 1991 with a wider remit - to make enquiries into the death or injury of wildlife, companion animals (dogs and cats), and beneficial invertebrates (honeybees and earthworms) from pesticide poisoning. In this context ‘pesticide poisoning’ refers to approved use, misuse, abuse and unspecified use, the definitions of which are as follows:

- **Approved use** of a product, where the pesticide is used according to the specified conditions for use.
- **Misuse** of a product, where the pesticide is used carelessly, accidentally or there is a wilful failure to adhere to the correct practice of use, e.g. spillage, poor storage, unprotected rodenticide baits.
- **Abuse** of a product, where the pesticide is used to deliberately and illegally poison animals and usually involves the placement of a bait.
- **Unspecified use** of a product where the cause could not be assigned to one of the above categories.

Incidents of approved use and misuse are more closely investigated than those of abuse, in keeping with the original objectives of the Scheme.

The Pesticides Safety Directorate (PSD) in DEFRA is responsible for policy on, and regulation of, the sale, supply, storage and use of pesticides. DEFRA also has overall responsibility for the WIIS scheme and sets the criteria under which DEFRA and NAWAD operate it. The scheme is managed in Wales by staff in FFD6. They are responsible for deciding whether enquiries should be carried out following the reporting of an apparent poisoning case and for carrying out appropriate field enquiries. In many cases staff work closely with Police Officers in the 3 Welsh Forces and also with the RSPB.

The following table contains a summary of poisoning incidents investigated by FFD6 over the past 2 years.

Year	2000	2001
No of reported incidents	74	54

No of incident investigated	32	20
No of incidents where poisoning was confirmed	11	6 (7 pending)
Chemicals found	Aldicarb (3), alphachloralose, bendiocarb, difenacoum (2), ethylene glycol, fenthion, strychnine (2)	Alphachloralose plus trace of bromadiolone, Aldicarb and bendiocarb, ethylene glycol, fenthion, paraquat, strychnine
Species affected (more than 1 species in some incidents)	Buzzard, peregrines (4), red kites (2), pigeon bait, cat(3), dog	Pigeon bait, feral pigeons, red kite, cat, dog(2)
Suspected cause of incident	Approved use – 1 Abuse – 9 Unspecified – 1	Abuse – 4 Unspecified use – 2
No. of cases referred to DEFRA Investigations Branch	1	1

Appendix 4

RURAL AFFAIRS LEGISLATION LIST

The list is in two parts:

PART I shows those items of secondary legislation –

13- in all- which are in the programme

It is quite possible that there will be other legislation which may have to be included in this list as plans are firmed up. Part I also identifies secondary legislation requiring to be made under the Executive procedure and under the special provision relating to FMD.

PART II lists all other secondary legislation –

77- in total- in the pipeline that we are aware of but which has not presently been programmed under the Standing Orders procedure.

PART I Legislation Programmed

TITLE	INTENTION OF LEGISLATION	PROJECTED TIMETABLE			COMMENTS
		Business Committee	Legislation Committee	Plenary	
Milk Marketing Board Dissolution Order 2001	To provide for the dissolution of the Body			Plenary 24th January 2002	Joint SI with DEFRA
Potatoes Originating in Egypt (Wales) Regulations 2002	Renewal of controls on Egyptian Potatoes to control Brown Potato Rot			Plenary 24 January 2002	SO-accelerated
2002 Animals Wales, Animal Health The Livestock Movements (Interim Arrangements (Wales) Order 2002	To give effect to the new interim movement regime				To be made under special provisions relating to FMD under Standing Order 22.27 in January 2002
2002 Animals Wales, Animal Health The Animal Gatherings (Wales) Order 2002	To give effect to the new interim movement regime				To be made under special provisions relating to FMD under Standing Order 22.27 in January 2002

Market Sales and Lairs Order 2002	To give effect to the new interim movement regime	To be made under special provisions relating to FMD under Standing Order 22.27 in January 2002
Foot and Mouth Disease (Import & Export) Restrictions (Amendment Regulations (no.16))	To amend regulations on imports and exports	To be made under special provisions relating to FMD under Standing Order 22.27 in January 2002
Foot and Mouth Disease (Import & Export) Restrictions (Amendment Regulations (no.17))	To amend regulations on imports and exports	To be made under special provisions relating to FMD under Standing Order 22.27 in January 2002
Tir Mynydd amendment regulations	To make changes to the existing regulations (eg for stocking density)	To be done by Executive procedure in Feb-02
The Cattle Database (Amendment) (England and Wales) Regulations 2002	To update the Cattle database Regulations, as part of the Spring movement regime	To be done by 'Executive Procedure' in Mid-February 2002. These Regulations will be made by DEFRA.

TITLE	INTENTION OF LEGISLATION	PROJECTED TIMETABLE			COMMENTS
		Business Committee	Legislation Committee	Plenary	

Amendment to the Cattle (Identification of Older Animals) Regulations 2000	To update the Cattle ID Regulations as part of the spring movement regime		To be done by 'Executive Procedure' in Mid-February 2002. This will be made on a Wales only basis.
Amendment to the Sheep and Goats Identification (Wales) Regulations 2000	To update the Sheep and Goats Regulations, as part of the Spring Movement regime.		To be done by 'Executive Procedure' in Mid-February 2002. This will be made on a Wales only basis.
Amendment to the Pigs (Records, Identification and Movement) Order 1995	To update the Pigs Regulations as part of the spring movement regime		To be done by 'Executive Procedure' in Mid-February 2002.
Dairy Produce Quotas Regulations	Consolidation of existing EU regulations	7 th March 2002	

Part 2

TITLE	INTENTION OF LEGISLATION	PROJECTED DATE FOR MAKING SI	COMMENTS
The Sea Fishing (Enforcement of Community Satellite Monitoring Measures) (Wales) Order 2000	to implement stricter monitoring measures	Feb-02	Standard

The Lobster and Crawfish v Notching Order 2001	Alignment of UK legislation with new EU technical conservation regulations	Feb-02	
The Fisheries and Aquaculture Structures (Grants) (Wales) Order 2001	To provide powers to make grants to enable investments to qualify for EU fisheries support	Late Feb-02	
Seeds(fees) (Amendment) Regulations 2002	Consequential amendment arising from the Fodder Plant Regulations	Feb/March 2002	SO22
The Swansea Bay (Deep Dock Ltd) Mussels Fishing Order	Grant of fishing rights to one body	Feb/March 2002	This is a local SI which will proceed under Standing order 26
Plant Protection Products (Amendment) Regulations 2002	Routine frequent amendments which must be made by SI	Mar-02	SO23
The Pesticides (maximum residues levels) Amendment Regulations Plant Protection Products (Amendment) Regulations 2002	Routine frequent amendments which must be made by SI	Mar-02	SO23
TITLE	INTENTION OF LEGISLATION	PROJECTED DATE FOR MAKING SI	COMMENTS
Environmental Impact Assessment (Uncultivated land and semi natural areas) (Wales) Regulations 2001	To implement the uncultivated land and semi natural areas provisions of the EIA Directive	End of March-02	Transfer of function from DETR to NAW received 20th August. Requires a further transfer of functions order. SI likely at the end of March using the Executive procedure

The Condensate from Rendering Plant of Ruminant Animals (Wales) Regulations 2001	To implement a SEAC recommendation on spreading of condensate onto land	Early 2002	
Eggs and Poultry Marketing Regs.	These will implement EU regulations on stocking density for free range eggs and technical requirements relating to the marketing of poultry meat.	Early 2002	
Horticulture Development Council Regs	technical amendment to change the levy start year from 1st October to 1st April	May-02	SO 23
Fertiliser Regs	Consolidation of existing EU regulations	Spring 2002	
The Sea Fish (Specified Sea Areas) (Regulation of Nets and other Fishing Gear) Order 2001	Measure to support EU technical conservation regulation 850/98	Spring 2002	
The Prohibition of Fishing with Multiple Trawls Order	Measure to support EU technical conservation regulation 850/98	Spring 2002	
TITLE	INTENTION OF LEGISLATION	PROJECTED DATE FOR MAKING SI	COMMENTS
Welfare of laying hens regulations	EU proposals laying down minimum standards for the protection of laying hens kept in various systems	Spring 2002	SO 23 SI
The Undersized Spider Crabs (Wales) Order 2001	Measures to support EU technical conservation regulation 850/98	Spring 2002	

Scallop Conservation Order	To implement new restrictions on scallop fishing	Spring 2002	
Eggs Marketing	To standardise marketing & enforcement measures	May/June 2002	
Home grown Cereals Authority Levy order	To set the annual levy	May/June 2002	SO 23 SI
The Sheep Annual Premium (Wales) Regulations 2002	To implement the December 2001 EU Regulations on a reformed sheepmeat regime. Commission Reg. 2550/2001 and Council Reg. 2529/2001 refer.	Jun-02	SO 22
CAP Wine Amendment Regs	to implement EU updated labelling regs.	Jul-02	SO 22
Livestock Quotas (Amendment)(Wales) Regulations 2002	To implement measures to consolidate and liberalise the quota regime	Jun-02	SO22
Plant Health (Rhizomania) (Wales) Order 2002	Repeal of Wales protected zone status	Jun-02	SO22
The Seed(Fees) Amendment (No 2) Regs. 2002	Annual fees increase	Target CIF 04/07/2002	SO23
TITLE	INTENTION OF LEGISLATION	PROJECTED DATE FOR MAKING SI	COMMENTS
Plant Breeders Rights (Fees) Amendment Regulations 2002	Annual fees increase	Target CIF 4/07/2002	SO23
The control of Pesticides (Amendment) Regulations	Pesticide regulation and freedom of information	Summer 2002 at the earliest	SO 23

The Plant Protection (basic Conditions) Amendment Regs.	Sets out the General conditions for pesticide sales.	Summer 2002 at the earliest	Cannot be made until the control of pesticides (amendment) Regs. are made
Farm Woodland Premium Scheme	To take account of any changes which emerge from the FWPS review	Summer/Autumn 2002	The FWPS is currently being reviewed and should be concluded around April/May
Transposition of Directive 2001/18/EC	To implement controls on the deliberate release into the environment of GMOs and repeal Directive 90/220/EC	Oct-02	SO22
The Cereal Seeds Regulations	To implement conclusions of seed certification review	Aut 2002	SO22
The Fodder Plant Seeds Regulations	To implement conclusions of seed certification review	Aut 2002	SO22
The Oil and Fibre Seeds Regulations	To implement conclusions of seed certification review	Aut 2002	SO 22
The Beet Seeds Regulations	To implement conclusions of seed certification review	Aut 2002	SO 22
TITLE	INTENTION OF LEGISLATION	PROJECTED DATE FOR MAKING SI	COMMENTS
The Vegetable Seeds Regulations	To implement conclusions of seed certification review	Aut 2002	SO22
The Seeds (Registration, Licensing and enforcement) Regulations	To implement conclusions of seed certification review	Aut 2002	SO22

Implementation of Directive 2001/64/EC	Amends 66/401/EC (Fodder) and 66/402/EEC (Cereals) in respect of marketing seed in bulk	Aut 2002	Two SIs, changes may be incorporated into the Fodder Plant Seeds (Wales) (Amendment) 2002 and the Cereal Seeds (Wales) amendment 2002 above
Small Farmers' Scheme (Wales) Regulations 2002	To implement an EU Reg. giving farmers the option to participate in a pilot scheme offering a simplified procedure for claiming direct subsidies.	Autumn 2002	SO 22
Action Programme for Nitrate Vulnerable Zones (Wales) Regulations 2002		Dec-02	Will come into force about 6 months after the NVZs have been designated by a separate SI (by Environment Division)
Animal By-Products Regulation	To control animal by-products and products such as meat and bonemeal that are derived from animal by-products. It will also deal with the import and trade of animal products that are not intended for human consumption and will ban the use of high risk material in animal feed.	End of Dec-02	Standard Procedure
Tir Gofal (Amendment) Regulations 2002	to implement changes recommended by the stocktake	2002	
Organic Products Regulations	to introduce revised standards for organic produce	2002	

The Regulatory Reform (Sugar Beet Research and Education) Order 2001	to repeal section 68 of the Food Act 1984- to be laid on an England and Wales basis but subject to Assembly approval	2002	
Potato Industry development Council	to implement proposed modification to the levy collection system	Jan-03	SO 23
TITLE	INTENTION OF LEGISLATION	PROJECTED DATE FOR MAKING SI	COMMENTS
Tir Mynydd amendment regulations	To implement changes to the scheme for 2004 onwards following the review of the scheme as part of RDP evaluation	Autumn 2003	SO22
Amendments to 2000/29/EC	Phytosanitary measures	2003	
Amendments to dairy quota regulations	To implement EU reforms under Agenda 2000 awarding extra quota allocation to dairy farmers and to compensate dairy farmers for cuts in support prices	01/04/2005	SO 23 SI
Implementation of EU regulation 999/2001 on TSEs	To cover international trade issues	Timing Uncertain	
Implementation of EU Regulation 999/2001 on TSE's	to cover enforcement issues	Timing Uncertain	
Home Grown Cereals Authority amendment order	To implement provisions in Regulatory Reform Act	Timing Uncertain	SO 23 SI
Green Code	Code of practice for pesticides use by farmers	Timing Uncertain	Possibly SO 27 legislation

The Brucellosis in Cattle Herds (Wales) Order 2001	Provisions governing the testing of milk for brucellosis	Timing uncertain	
The Enzootic Bovine Leukosis (Wales) Order 2001	Regulatory framework for testing of milk for EBL	Timing uncertain	
The Bovine and Bovine Products (Trade) (Wales) Regulations 2001	Will permit the despatch of bone-in beef from establishments approved under the Date Based Export Scheme to the domestic market	Timing uncertain	
The Plant Health (Export Certification) Order 2001	To place plant health charges on a statutory basis	Timing uncertain	SO 23
The Seed Potatoes (Fees) (Amendment) Regulations 2001	To place plant health charges on a statutory basis	Timing uncertain	SO 23
TITLE	INTENTION OF LEGISLATION	PROJECTED DATE FOR MAKING SI	COMMENTS
Cattle Artificial Insemination Amendment Regulations	To rationalise regulations for AI disease control purposes	Timing uncertain	
The Swansea bay (Penclawdd Shellfish Processors Ltd) Order	Grant of fishing rights to one body	Timing uncertain	This is a local SI which will proceed under Standing order 26
The Three Rivers Regulating Order	Grant of fishing management rights to one body	Timing uncertain	This is a local SI which will proceed under Standing order 26
The Geographical Indications, Designations of Origin and Certificate of Specific Character	To implement EU decisions on the protection of Welsh food products	Timing uncertain	Not definite if this will require an SI. Awaiting legal advice.
Amendments to the Fish Health Regulations 1997	To establish GB as a single zone with regard to certain fish disease	Timing uncertain	

Review of Welfare of Animals in transit	To implement changes agreed to strengthen welfare standards of animals in transit	Timing uncertain	
Welfare of Animals (Slaughter) Regulations	To implement EU amending Directives	Timing uncertain	
Amendments to Rabies legislation incorporating Pet Travel Scheme	Will allow pet dogs and animals to be brought into Wales from Europe without quarantine	Timing uncertain	SO 23 SI
The Product of animal origin (import and export) regulations	To implement EC Directive 97/12	Timing uncertain	SO 23 SI
TITLE	INTENTION OF LEGISLATION	PROJECTED DATE FOR MAKING SI	COMMENTS
The Horse Passport Order	To implement EC Directive 64/433	Timing uncertain	SO 23 SI
The Feedingstuffs (Zootechnical Products) Regulations	Amends 1998 regulations on criterium of feeding stuffs	Timing uncertain	SO 23 SI
Classical Swine Fever Regulations	To revise and strenghten controls for this disease	Timing uncertain	SO 23 SI
Swine Vesticular Disease Order	To improve and strenghten controls for this disease	Timing uncertain	SO 23 SI
Amendments to Corn Returns regulations 1997	To allow producers to make electronic returns	Timing uncertain	SO 23 SI
The Potatoes Originating in Netherlands (revocation) (Wales) Regulations 2001	Revokes legislation applying additional disease control measures to Dutch potatoes	Timing uncertain	

The Coast Protection Notices (Wales) Regulations	To replace existing regulations made under the Coast Protection Act 1949	Timing uncertain	
Fees for Representation and hearings for National Listing	Since the Seeds National List of varieties Regulations have been made the main NL fees can be set administratively however, the mechanism for raising fees for hearings and representations remains unresolved.	Timing uncertain	
Arable Area Payments Regulations	To consolidate & incorporate a number of new measures	Timing uncertain	
TITLE	INTENTION OF LEGISLATION	PROJECTED DATE FOR MAKING SI	COMMENTS
Transposition of 2001/536/EC	Controls on pepino mosaic virus	Timing Uncertain	
Transposition of changes to Directive 2000/29 (the 'polyphage' package)	Amends annexes to 2000/29/EC	Timing uncertain	
Consolidation and revision of the Plant Health Order	Clarifies Plant Health order	Timing uncertain	
Marketing Standards for Olive Oil	To standardise/regulate labelling and quality of olive oil	Timing uncertain	Discussions on-going in Brussels. SO 23