

Date: Wednesday 13 March 2002
Time: 2.00pm to 5.30pm
Venue: Committee Room 3, National Assembly Building

MEMORANDUM FOR THE AGRICULTURE AND RURAL DEVELOPMENT COMMITTEE

-

CONTENTS

- A. Footpaths and Closures**
- B. The Effect on Small Businesses including Tourism**
- C. Special Grant Reports**
- D. The Rural Recovery Plan**

Annexes: 1. Chronology of the main events regarding Foot and Mouth Disease

and Tour

2. Rural Recovery Plan – Special Grant Report Allocation

3. 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

4. Update Report on the Local Authority Distribution of the Rural Business Recovery Fund – Phase 2
5. Membership of the Task & Finish Group and Joint Secretariat
6. Rural Recovery Plan – funding by Measure
7. Membership of the Monitoring Group
8. WTB Scheme of activity – Rural Recovery Plan

A) FOOTPATHS AND CLOSURES

Footpaths and Closures

At the start of the foot and mouth outbreak in February 2001, the Minister for Rural Affairs and other organisations in Wales appealed for the public to help avoid aiding the spread of the disease by staying away from the countryside, and areas grazed by livestock in particular. Following well publicised cases of walkers ignoring these requests – in Wales and in England – Orders were quickly approved by the Assembly jointly with MAFF/DEFRA, which gave local authorities, after consultation with the Minister of Agriculture, Fisheries and Food (who has the responsibility for FMD disease control) the power to introduce ‘prohibited areas’ on rights of way and areas of the countryside. This was considered appropriate as at that stage the disease was spreading in an unpredictable way. Welsh local authorities, in conjunction with the National Parks, quickly took steps to close footpaths in their areas. The CCW also closed all of its National Nature Reserves at this time.

Recognising the wider impacts this ‘closure of the countryside’ would have, the Minister for Rural Affairs made clear in his statement of 8 March 2001 to the Assembly that once the geographical pattern of the disease stabilised, guidance would be issued to local authorities on the scope for easing restrictions. The first batch of guidance issued on 20 March 2001 giving advice to local authorities and the public about what activities could still be undertaken in the countryside without adding to the risks of spreading the disease. This was followed up by further more detailed guidance on 5 April 2001 – issued by the Minister for the Environment who had by then assumed lead Ministerial responsibility within the Assembly Cabinet for access to the countryside issues in relation to foot and mouth. This guidance included a model risk assessment approach to assist local authorities in determining which footpaths and other sites could safely be re-opened inside and outside infected areas. Also included was a new public code containing sensible precautions visitors to the countryside should follow. The Minister also issued the same guidance to the National Parks, Forestry Commission, the National Trust and the British

Waterways Board to help secure a consistent approach on the ground by the various agencies.

The guidance had an immediate impact and helped ensure that some important footpaths and other sites were open to the public again by Easter. For example 25% of the Pembrokeshire Coastal Path was open in April and key footpaths up Snowdon were re-opened by Ms Essex on 4 May 2001. Regularly updated information was also made available via WTB and others on what key footpaths and other sites such as forests and country parks were open. Nonetheless a significant number of local authorities took a very cautious approach at this time to the re-opening of footpaths and other countryside sites. To encourage further and faster progress, further guidance was issued by the Minister for the Environment on 10 May 2001 recommending that local authorities and other key agencies adopt a priority approach to the re-opening of rights of way – i.e. focussing on the most important routes.

During May 2001 the foot and mouth infection rate decreased significantly due to the warmer, drier conditions. This led to an important reappraisal by MAFF (DEFRA) vets of the risks associated with re-opening public footpaths in the countryside. On 23 May 2001 the Minister for the Environment wrote to all local authorities urging them to re-open all public footpaths except those near to farms where the disease had been confirmed (or as suspected). The majority of local authorities responded positively to this guidance and by the end of June, access had been restored to over 60 % of rights of way across Wales, and this figure rose to over 85% during August. This position contrasted with that in England where DEFRA Ministers took formal action to revoke local authority powers to impose ‘blanket closures’ as a number of councils were refusing to re-open footpaths. The remaining restrictions in Wales were then concentrated in South Powys and Monmouthshire where the latest cases of infection occurred. During the autumn the access restrictions in Wales were gradually lifted, with the main residual footpath restrictions (on Pen-y-Fan in the Brecon Beacons) being removed at the beginning of February 2002.

Throughout the main period of the disease situation, concerted efforts were made by Assembly Government Ministers to encourage local authorities and other key organisations to make continued progress in restoring access to the countryside. For example the Minister for the Environment had meetings with the three National Parks and was in direct contact with many local authorities. Officials within Countryside Division were also in virtually daily contact with local authorities to monitor progress and to offer advice. Information gleaned as a result on important ‘re-openings’ was disseminated widely within the Assembly and to other key interests like WTB for use in their marketing work. This close liaison was mutually beneficial in gaining first hand information for the Assembly and in ensuring that practical problems – for example concerning re-opening of footpaths on farms still subject to livestock restrictions - were identified and resolved.

The series of guidance (4 batches in all) issued by the Assembly Government in Wales was based on the same expert veterinary advice used in England and was therefore consistent with, if not identical, to the guidance issued by DEFRA. The guidance was generally welcomed by Welsh local authorities and others as being clear, practical and helpful. It also took account of practical, on the ground experience here – for example footpath risk assessment flowcharts developed by Pembrokeshire National Park were issued as part of the guidance of 5 April. It was effective in helping to restore access where this could be

done without adding to risks of spreading the disease. The public code issued was also very widely used and its key messages generally heeded by visitors to the countryside. Faster progress could have been made, however in restoring access, especially in areas where no cases of infection had occurred – for example Ceredigion where access was not fully restored until September. Some concerns were also expressed about the apparent inconsistency between advice to farmers on the need for tight biosecurity measures versus guidance encouraging the re-opening of footpaths crossing farmland. This was essentially a question of comparative risks – but the need for consistent communication at all stages is one of the lessons which has been learned.

B) THE EFFECT ON SMALL BUSINESSES INCLUDING TOURISM

The Welsh Assembly Government was immediately alert to the consequences of the FMD outbreak on the wider rural community, including tourist operators and other small businesses. During the period following the outbreak, both the Economic Development and the Rural Affairs Ministers were active in monitoring the situation and putting in place remedial measures. There was very close liaison between the Assembly Government and the Wales Tourist Board (WTB), and other organisations. A chronology of the main events is attached at *Annex 1*.

The Economic Development Minister appraised the Assembly of the effect on small businesses as early as 5 March. He said that he would be receiving daily reports from the WTB and that he would be meeting UK Tourism Ministers the following day.

The immediate priority was to ensure that visitors and the tourist industry were aware of what could and could not be done in the countryside. On 9 March the WTB announced a support campaign for the industry using a tactical marketing campaign. This included a £100,000 initiative to deliver clear factual information on what visitors could do in Wales. A help line was also established to promote information on which attractions were open and where people could visit and stay in Wales.

The Assembly Government also recognised that there would need to be a recovery plan of short- and long-term measures in order to help rural businesses to recover. On 15 March the Rural Affairs Minister announced the establishment of a Rural Task and Finish Group (see section on Rural Recovery Plan).

In view of the immediate pressures on many rural businesses, on 27 March the Finance Minister announced a £12 million Special Grant Report to local authorities; further details are in the next section of the memorandum.

In order to stimulate tourism for the critical Easter period, on 29 March, the Economic Development Minister announced an extra £1.15 million for the WTB's marketing funds. This enabled the WTB to

launch a range of integrated campaigns aimed at telling potential visitors that Wales was open for Easter and beyond, and urging people to visit Wales. The campaign included radio and editorial advertising, direct mail shots, large poster sites and leaflet distribution in magazines and newspapers.

At an UK level, the Economic Development Minister was a member of the UK Rural Task Force, which was chaired by Michael Meacher and which met weekly during the crisis. A number of measures were brought in at a UK and Wales level:

- advice was available through the Business Connect network;
- banks, insurers, lenders and utilities generally adopted a sympathetic attitude towards affected businesses;
- ELWa reprioritised its programmes to focus on the areas hardest hit by FMD; repayment holidays were put in place on Career Development loans and Small Firms training loans;
- the Benefits Agency produced a leaflet on FMD, covering assistance available through the Redundancy Payments Service;
- a local and regional advertising campaign advised rural businesses on the help available to them;
- the scope of the Small Firms Loan Guarantee Scheme was extended to include tourism, retailing and catering businesses;
- arrangements were put in place by Inland Revenue and HM Customs and Excise to allow businesses to defer tax and VAT liabilities.

It became apparent that more needed to be done to inform the public that significant areas of Wales were not affected by the closures, and the WTB instigated its innovative 'Today in Wales' campaign on 14 May. This involved a series of five television advertisements over five days, filmed on the day and screened within hours.

The Assembly Government is satisfied that the speed of its response and the various initiatives which were introduced helped to alleviate the effects of FMD on small rural businesses, including tourism businesses.

Assembly economists estimate that the impact on value-added of reduced tourism expenditure in Wales as a result of FMD was in the range of £70-100 million. The Assembly Government believes that without the measures which it put in place, the effects would have been far worse.

C) SPECIAL GRANT REPORTS

Two Special Grant Reports (SGR) to local authorities were announced by the Assembly Government – on 27 March and 26 July.

A table showing the allocation of the awards to each local authority under each SGR is provided at *Annex 2*.

On 27 March 2001, Edwina Hart, Assembly Minister for Finance Local Government and the Communities, announced that £12 million would be made available to local authorities to enable them to make extensive use of their powers to grant rate relief and support to businesses whose trade has been adversely affected by the foot and mouth outbreak. In July 2001 Mrs Hart reaffirmed her intention to reallocate unspent special grant money. In November 2001, £1.1 million of unspent money was distributed between nine local authorities in rural development areas that had been worst hit by the disease.

Annex 3 provides information on the administration and use of the first Special Grant of £12m.

On the second SGR, 90% of the grant was allocated to the 9 mainly rural authorities where the economic effect was 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. The weightings used in the distribution formula included rurality and tourism factors and whether the local authority had included an infected area.

Account was taken of the views of local authorities that local discretion should be applied in the kind of support which should be offered to businesses, and that local authorities should be able to undertake activities themselves to assist rural businesses indirectly.

The Assembly Government therefore decided to base the second SGR on the section 2 powers of local authorities under Section 2(1) of the Local Government Act 2000. Assistance was to be provided to rural businesses whose trade had been adversely affected, directly or indirectly, by the outbreak of FMD. The grant could not be used to fund business rate relief and had to be committed by 31 December 2001.

Annex 4 provides an update of the administration and use for the second Special Grant of £9m.

D) THE RURAL RECOVERY PLAN

Background on the Task & Finish Group

In March 2001, the Deputy First Minister and Rural Affairs Minister jointly commissioned a Task and Finish Group to assess the economic impact of FMD. Membership was drawn from within the Rural Partnership for Wales, supported by key partners from the agri-food industry. The Group met on 23 March and 14 June and a draft Rural Recovery Plan was presented to the Rural Partnership on 24 July. A list of members is at *Annex 5*.

The Group's terms of reference were:

- to advise the government of the National Assembly on the issues for the rural economy arising from foot & mouth
- to advise on the steps necessary to help rural businesses
- to produce a plan to help re-launch the rural economy
- consider the impact in terms of rural stress

A smaller Joint Secretariat comprising officials and chaired by Jasper Roberts, head of the Assembly's Rural Policy Division, met weekly to consider developments as the disease progressed in terms of advising on particular issues and preparing an outline of the Rural Recovery Plan. A list of members is at *Annex 6*.

Background on the Rural Recovery Plan

Announced by the First Minister and Minister for Rural Affairs on 26 July 2001, the Plan provided £65m, of which £60m was new money. A table showing a breakdown of the funding by sector is at *Annex 7* (one showing the SGR allocation by local authority is at *Annex 2*). Budget for the financial year 2001-02 is £37m with expenditure to end December 2001 totalling around £28m. The key measures are:

- Aid for businesses including additional business advice
- Support for tourism
- Development of the agri-food strategy
- Funds to support community regeneration
- Business planning advice and capital grants for farmers and farm businesses
- Support for communications, shows and events
- Match-funding for the relief of rural hardship
- Support for advice and help lines to alleviate rural stress
- Additional community health workers to provide front line help to people who have suffered as a result of FMD
- Additional provision for training and skills development in areas hit by the disease

Progress on Implementation of Rural Recovery Plan

The Monitoring Group met for the first time on 1 February. Chaired by Derek Jones, Senior Director Economic Affairs, Transport, Planning & Environment, its remit is to monitor the implementation of the Plan and ensure that the funding made available is fully utilised to the maximum benefit of the geographic and sectoral areas it covers. The Group will meet quarterly and provide detailed reports to

Ministers, Committees and the Rural Partnership. A list of members is at *Annex 8*.

Specific details on activities and progress for each Measure under the Plan follows.

Wales Tourist Board (WTB) Measures

Initial Response

On 29 March 2001 the Assembly Government announced £1.15m additional funding for WTB. This immediate initial funding was made up to £1.5m 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.

Further Measures

On 26 July, the Assembly Government launched the Rural Recovery Plan and confirmed that key measures in the plan included a further £4.2m of immediate funding for the marketing and development of tourism businesses and £5m to support integrated tourism, leisure and environmental projects (see below).

Annex 8 provides details of the activities being undertaken by the WTB using the funds made available under the Rural Recovery Plan.

Wales Tourist Board (WTB) and Countryside Council for Wales (CCW) Measure

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

The Assembly allocated £5m 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 the Assembly Government to support for outdoor recreational projects in Welsh woodlands, decided to join the initiative making £5.2m 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 £5,000;
- Grant aid will be available to projects throughout rural Wales but projects from areas which are directly affected by FMD will be given priority (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 given priority.

Although there are some issues remaining to be clarified with the Assembly Government, the scheme is expected to be operational from 1 April 2002.

Assembly Government Measures

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 9 January 3,222 farmers had requested

a Farm Business Development Plan and have been allocated a consultant to undertake the plans. A further 250 farms had opted for a Farm Business Options Review and have been allocated a consultant.

The FBDPs 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 250 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* (£500,000 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 was 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 has sought 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 have been submitted and are being considered by officials. A decision is expected 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 £36m available for the development of the biomass sector in England and Wales (the Strategy that is being developed will be crucial to securing the Welsh share of this funding).

- *Rural Hardship Fund*

On 29 March 2001 the Minister for Rural Affairs announced a scheme in the National Assembly to match £ for £ the public donations made to voluntary organisations to support the important work they were carrying out to alleviate rural hardship resulting from the current outbreak of foot and mouth disease. The Countryside Agency acted as agents for the National Assembly in administering this scheme in Wales.

Launched with a budget of £1m this was subsequently increased to £2m, which has been fully committed (slightly over-committed). The scheme is now closed.

- *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 Economic Development Minister established a Task and Finish Group in March 2001 to examine the possibility of a new Enterprise Support Scheme; the Group reported in September 2001 and its recommendations were accepted by the First Minister in December 2001. The main features of the new arrangements for enterprise support include:

- Start-ups - to continue to be offered by local authorities;

- Investment Aid - this is divided into five areas :
- Grants above £50,000 – Regional Selective Assistance (RSA) as at present to be administered by National Assembly;
- Grants between £5,000 and £50,000 – Investment Grant - a streamlined version of RSA for SMEs to be run by National Assembly, to be made available for the first time in Wales to SMEs outside the assisted areas (at lower grant rates);
- Grants below £5,000 - to continue to be offered by local authorities;
- Loans - as at present to be administered by Finance Wales.
- Sectoral grants - to be reviewed by relevant bodies.

The new Investment Grant will be launched in April 2002 and will, for the first time, offer grant assistance to small and medium sized businesses outside the Assisted areas e.g. Powys. £5m is included in the Plan for enterprise support in 2002/03 and 2003/04.

NHS Directorate – Primary & Community Health

- *Community Nurses*

The NHS Directorate bid for money to fund 4 community based mental health workers. 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.

Financial support to businesses adversely affected by foot and mouth disease – Special Grant Reports

See Section C of the Memorandum.

Welsh Council of Voluntary Associations (WCVA) Measure

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. Contractual arrangements between the WCVA and National Assembly for Wales for the delivery of the scheme have been completed.

Education & Learning Wales (ELWa) Measure

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) Measures

- *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 WDA, 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.

£1m 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 Lleyrn 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 cancelled as a result of FMD. Priority is being given to supporting activity that helps promote social and economic regeneration of the rural areas hardest hit.

- *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 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 managing a special grant report to assist businesses, together with other services providers.

Forestry Commission Measures

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.

CHRONOLOGY OF THE MAIN EVENTS REGARDING FOOT AND MOUTH DISEASE (FMD) AND TOURISM

DATE	EVENT
28 February	Wales Tourist Board (WTB) issues urgent press release urging all visitors to heed guidelines relating to access and rights of way – and advising visitors of where they can still go, and how to get further information.
5 March	Deputy First Minister (DFM) meets with Chair and Chief Exec of WTB to discuss tourism issues relating to FMD. Agreement to supply daily reports. DFM makes his first comprehensive statement on the likely effect of FMD on Tourism
6 March	FMD and tourism raised formally at UK Ministerial Tourism Summit in London WTB issues press release drawing attention to Tourism and FMD
7 March	Daily reports from WTB begin. Foot and Mouth outbreak discussed in Economic Development Committee as part of discussion of WTB forward plan
9 March	WTB announces immediate support campaign for industry using tactical marketing campaign. Assembly Government issues Press Notice instructing WTB to correct American misinformation on FMD risks. WTB and Regional notification on the Internet of attractions open and closed
12 March	WTB issue formal response to misinformation being given to American Tourists by American Automobile Association.

14 March	DFM meets WTB
15 March	DFM makes statement to Assembly Plenary on the effects of FMD on Tourism. Setting up of Rural Task and Finish Group announced by Rural Affairs Minister First Minister (FM) and DFM meet with Michael Meacher MP (Chair of Rural Task Force)
16 March	First, informal, survey from WTB issued showing general effects of FMD
20 March	Initial Guidance to local authorities on Access to rights of Way DFM Attends Rural Task Force
21 March	DFM launches the Tourism Charter to promote good practice with tourist operators and to assist sustainable tourism during the outbreak. DFM Meets banks to ask for sympathetic treatment of businesses affected by FMD
22 March	DFM and Chair of WTB visit Llandudno
23 March	First meeting of Rural Task and Finish Group (DFM via video-link from Machynlleth) DFM and Chair of WTB meet North Wales Tourist Association in Colwyn Bay and Mid Wales Tourism Association in Machynlleth
26 March	WTB launches ‘freephone’ helpline for visitors with database of open attractions
27 March	Assembly announces £12m Special Grant Report (SGR) (7) to Local Authorities
28 March	DFM meets BTA Chief Executive and Rural Task Force
29 March	DFM announces additional £1.15m marketing funding for WTB

1/2 April	DFM undertakes tour of European BTA Offices (Amsterdam and Frankfurt). Also gives interview on American News channel CNN to combat any remaining confusion about FMD and countryside access in the US.
4 April	DFM attends UK Rural Task Force Meeting
5 April	DFM meets with representatives of Utilities (Water/Gas/Electricity etc.) to request that they treat businesses affected by FMD sympathetically.
6 April	DFM holds a follow up meeting with representatives of Banks and similar lenders to ask them to treat businesses affected by FMD sympathetically.
7 April	DFM visits National Showcaves Centre for Wales, Carreg Cennen Castle and Folly Farm to promote businesses opening for Easter.
10 April	DFM has first meeting with Powys Rural Business Campaign (PRBC) FM visits Anglesey Sea Zoo
11 April	DFM attends UK Rural Task Force Meeting
12 April	DFM announces advertisements in a range of local newspapers outlining helplines and other assistance available to businesses.
18 April	British Tourist Authority (BTA) and World Travel representatives meet with DFM for dinner at Portmeirion Hotel. DFM again meets World Travel representatives at Conwy.
25 April	FMD raised by DFM at UK Ministerial 'Mini-Summit' in Glasgow
27 April	DFM meets Montgomeryshire businesses in Newtown

2 May	DFM meets with WTB to discuss possibility of establishing a 'Marketing Replacement Fund' to assist businesses whose marketing efforts have been negated by FMD
14 May	First broadcast of 'Today in Wales' campaign – a series of adverts filmed each day and broadcast during the evening of the day of filming. A new advert was filmed for each day of the week, presented by Siân Lloyd and launched with a major new website 'ivisitwales.com' incorporating all adverts shown and a message board.
31 May	DFM meets BTA in London
5 June	DFM meets with representatives of the Beddgelert Tourism Association
11 June	DFM meets with Chair of WTB
14 June	DFM meets with PRBC again
19 June	DFM meetings with Welsh members of the British Hospitality Association – and later addresses membership in the milling area of the Assembly building.
26 June	DFM attends UK Rural Task Force Meeting
28 June	DFM meets with various representatives of tourism businesses, including Powys County Council and PRBC in Brecon
19 July	Deputy Rural Affairs Minister attends UK Rural Task Force meeting
23 July	Deputy Economic Development Minister visits Llangorse Rope Centre near Brecon

26 July	<p>Announcement of Rural Recovery Plan. Components for Tourism include</p> <ul style="list-style-type: none"> ● <i>ADFER</i> Marketing Replacement Fund ● <i>Advantage scheme</i> – reduced cost advertising in prime publications ● <i>Area Marketing Fightback</i> – to encourage regional marketing campaigns ● <i>ReACT</i> – enhanced grants to assist maintenance/development of quality standards in tourism businesses. – Total budget: £5.350m ● <i>Adfywio</i> - additional £2m over next two financial years to be shared between WTB and Countryside Council for Wales
	<p>Local authorities advised by letter to begin allocating their share of the second £9m Special Grant Report (18) using existing resources until the Assembly has approved the allocations in plenary in October.</p>

Annex 2

Special Grant Report Allocations – 2001-02				
Authority	SGR 1	SGR 2	SGR1 Reallocation	Total
	£,000	£,000	£,000	£,000
Anglesey	700	710	90	1,500
Gwynedd	1,500	1,800	244	3,544
Conwy	1,120	490	67	1,677
Denbighshire	880	540	74	1,494
Flintshire	220	50	-53	217
Wrexham	175	50	0	225
Powys	1,230	2,430	331	3,991
Ceredigion	670	420	57	1,147

Pembrokeshire	1,230	580	79	1,889
Carmarthenshire	1,150	510	51	1,711
Swansea	350	80	-115	315
Neath Port Talbot	175	60	0	235
Bridgend	175	50	-100	125
Vale of Glamorgan	175	40	-100	115
Rhondda Cynon Taff*	350	120	-182	288
Merthyr Tydfil	100	30	-3	127
Caerphilly	260	90	-30	320
Blaenau Gwent	130	40	-27	143
Torfaen	130	40	-10	160
Monmouthshire	620	610	83	1,313
Newport	220	130	-138	212
Cardiff*	440	130	-336	234

Annex 3

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 £4.8m 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 £8.885m of the special grant of £12m (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 £1.5m. 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 £9.1m 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 £7,500, 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 £4.8m 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. £2,500 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, £4.9m 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.

Annex 4

Update Report on the Local Authority Distribution of the Second Special Grant Report (£9 million) – information compiled by the Welsh Local Government Association

Powys County Council

- Received £2,430,000
- 1,432 applications received
- The breakdown by sector of applications is:

Tourism 46%

Retail 15%

Agricultural support 9%

Leisure activities 8%

Manufacturing 5%

- 1,224 grants issued
- Level of grants given: £500 - £4,500.
- Special grants awarded to seven livestock markets and to the Royal Welsh

Agricultural Society.

Other activities undertaken:

- The £331,000 awarded to Powys from the underspend in the first tranche was used partly to

award late applications from the first round with Business Rate Relief and partly with Section 2 grants (£143,500).

- £75,000 of the second tranche was used to support tourism marketing by allowing free advertising for 2001 advertisers in the Council's tourism brochure for 2002, and 50% reduction for new advertisers.

Other Information:

- An Appeal Panel has considered 62 appeals against the grant decisions made in November 2001. Nine have been allowed worth an additional £12,000 - the cost to be borne by the authority. (One appeal still subject to consideration - worth a further £2,000 if allowed).
- The Council has borne the whole cost of administering both the first and second tranches and has not called on any of the 2.5% allowance for admin support, resolving that rural businesses in Powys should benefit from the whole of the Funds.

Isle of Anglesey

- Received £710,000
- 149 applications, 100 grants awarded
- Breakdown of Applications:

Tourism 41

Retail 47

Leisure 10

Hospitality 15

Machinery Sales & repair 4

Manufacturing 3

Garages 4

Haulage 4

- Grants ranged from £63 to £24,000 (average - £4,971)

Other Activities Undertaken:

- Marketing and Image Study
- Marketing Activities
- Support for marketing activities for Business Associations
- Support for local events
- Business Development & e-commerce
- Administration

Carmarthenshire County Council

- Received £510,000 (plus £69,000 refunded to provide further Rates Relief assistance).
- The same package of support was continued (as per the £1.15m from the first round):
 - Rate Relief – 100%, 75%, 50%
 - Marts Assistance – 100%
 - Individual Marketing Grant up to £700, based on individual business marketing plans
 - Business Advice, delivered via local enterprise network business advisers, through Carmarthenshire Chamber of Commerce
 - Hardship Grant, assessed by independent business advisers through the Carmarthenshire Chamber of Commerce, and a panel of partnership organisations: the Council, WDA, Chamber of Commerce, Carmarthenshire Enterprises and Carmarthenshire Tourist Association
 - Regional Marketing, based on Carmarthenshire Tourist Association proposals.
- An appeals procedure was inherent within Rate Relief and Hardship Grant support.
- The package of support and the closing date were advertised in local newspapers (initial mailing had previously been undertaken in March and May 2001). The closing date was 31 November 2001, but any 'late' applications were considered to the end of December.

Number of applications/business types:

- A further 160 new applications were received. However, the new funding also enabled appeals to be considered (for Rates Relief and Hardship Grant) and the opportunity for some businesses who had previously applied, to extend their support choices e.g. apply for marketing support.

- The breakdown of applications mirrored those received in the initial support. The highest proportion of businesses applied for Rates Relief (70%), followed by Hardship support (60%), Individual Marketing (42%) and Regional Marketing (38%) and Business Advice (21%).
- The highest proportion of businesses were from the Hotels and Restaurants sector (accommodation, public houses, caravan sites, restaurants, cafes, mobile caterers – 37%), the Retail/Wholesale/Repair sector (art and crafts, food and catering wholesalers, machinery – 25%), followed by Community/Social, Personal sector (attractions, activities – 11%) and Manufacturing, 8%. Applications were also received from Forestry and Fishing sectors, Construction, Transport/Storage, Real Estate/Renting/Business.

Number of grants given:

Support has been awarded as follows (some applications still being finalised):

Individual Business Support	Number Receiving Support	Value
Rates Relief	112 (incl. appeals)	£306,000 (£30,000 of the £510,000, plus £276,000 based on £69,000 'refunded')
Hardship Grant & Business Advice	83	£304,500
Individual Marketing Grant	55	£37,000

Levels of grants given:

- Rates relief has been apportioned at 50%, 75% or 100%, predominantly based on industry sectors. The Hardship Grant has been awarded based on individual cases, ranging from £1,000 to £20,000. Individual Marketing Grants have been awarded up to £700, based on outline marketing plans provided by the businesses. All individual business payments have been made via BACS, direct to the business bank account.
- Other activities by the council included value added proposals for regional marketing for the area, proposed by Carmarthenshire Tourist Association, in consultation with its members and the Council's partners.
- Despite clearly outlining that support was only aimed at non-agricultural businesses, over 80 applications were received from farmers involved in primary agriculture, and a number of enquiries were also received. Clearly the Council were unable to provide support for this group based on the funding criteria.

- However, a small consultative group was created for the duration of the crisis, represented by the farming unions, tourism, chamber of commerce and economic development. The purpose was to keep all groups informed and identify specific issues and developments.

Monmouthshire County Council

- Received £610,000
- 184 applications, 166 grants given
- The following sectors were supported: Tourism, Retail, Agriculture related, Pubs/Restaurants and Other:

Tourism 68 applicants (36%)

Retail 40 applicants (22%)

Agriculture related 24 applicants (13%)

Pubs/Restaurants 40 applicants (22%)

Other 12 applicants (7%)

- £586,365 grants given out in total – the average was £3,490 (maximum £14,483 and minimum £233)
- Other activities undertaken include general marketing, contribution towards expenditure of the Winter Fair and contribution towards production of the annual Wye Valley and Vale of Usk 2002 Tourism brochure.

Ceredigion County Council

- Received £420,000
- 134 applications for financial assistance
- 79 grants given, of which:
 - 37 related to Tourist type businesses (including pubs, cafes etc.);
 - 18 to Agricultural related businesses (e.g. agricultural contractors but excluding farming);
 - 24 to other businesses (e.g.. retail shops, garages, etc.)
- The highest single grant was £10,620.
- A sum of £234,500 was also allocated to 7 organisations - i.e. £33,500 each. These monies have been provided to these organisations in order for them to provide indirect support to businesses affected by the Foot and Mouth outbreak, e.g. by providing joint marketing activities, etc. The 7

organisations will geographically represent the whole County.

Newport CBC

- Received 130,000
- 17 applications received, 11 grant awards made.
- The cases that were unsuccessful were mostly those that had previously received assistance in July 2001. In the main they failed to show continued or new loss following on from July that could be considered in the scheme that ended in December.
- The type of businesses were mainly general retail having an ancillary connection to agricultural activities, local tourist attractions and events, and bed & breakfast establishments.
- The total amount awarded was £28,000, and individual grants ranged from £500 to £9,000.
- There were a low number of applications received. This was despite local newspaper advertising, and an inclusion in "Newport Matters" circulated to every household in the County Borough

Caerphilly County Borough Council

- Received £90,000
- To date, 6 grants have been distributed totalling £22,000. Grants have ranged from £2,000 to £5,000
- Businesses assisted include an agricultural auctioneer, a guest house, caravan site, holiday provider, outside catering company 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
- 10 grants approved for accommodation providers and organisations directly related to animal welfare and/or the tourism industry that could demonstrate a loss of income through foot and mouth.
- Due to the small amount of grant money available a cap of £2,800 was set. 9 companies received this amount and 1 received £971

Other activities:

- Following discussion with NAW, it was agreed that Torfaen CBC could carry out marketing to assist the tourism industry in 2002. A new Torfaen tourism website has been launched incorporating all attraction operators and accommodation providers. The site also incorporates information about "what's on in Torfaen".
- In addition funding was agreed to undertake 6 "precinct" promotion events. These events are held for two or three days in shopping precincts where there is a stand to promote the area as a day out or short break location.

Conwy CBC

- Received £490,000
- 148 applications received, of which 92 were approved and 52 rejected (13 of which are appealing)
- Majority of businesses assisted are tourism businesses
- Grants given were 50% to a cap of £3,000 towards one of marketing, building/vehicle maintenance and refurbishment or utility payments.
- A further measure of finance costs covered arrangements fees plus a blanket 10% equivalent of the credit arrangement value to a maximum of £3,000 (e.g. £10,000 overdraft, plus £50 arrangement fee = grant of £10,050)

Other activities undertaken:

- There has been some 100% funding of promotional projects put forward by community or constituted business groups (e.g. Town Chambers or Tourism Associations). Sums have also been put aside for environmental improvements in rural communities in preparation of the new tourism season, and some brown signing.

Bridgend

- Received £50,000.
- 8 grants approved.
- Applications supported included saddleries, a mobile farrier, a local agricultural show, kite maker, guesthouse operator and a craft business.
- Levels of grant given range from £1,616 to £7,500
- Other activities undertaken by the council include supported marketing initiatives relevant to the

tourism sector (£15,000)

Merthyr Tydfil Borough Council

- Received £30,000
- 19 applications received 17 supported (2 were ineligible as they didn't supply supplementary information).
- Breakdown of supported businesses includes:

8 hotels/restaurants/caterers

1 golf club

3 shops

2 leisure/camping parks

2 manufacturers

1 recycling business

- Maximum grant was £10,000 based on lost profit figure but where businesses had benefited from the first round, grants were capped at a maximum of £1,000 regardless.
- 7 businesses that had received money under the first round benefited from further money under the second.
- The council agreed to supplement the £30,000 with money from its economic development capital programme, equivalent to £44,888

City & County of Swansea Council

- Received £80,000
- Following discussion and agreement with business representatives, it was agreed to fund an initiative to attract more visitors to the rural areas of Swansea in 2002.
- The £80,000 was used to fund a marketing campaign which aims to raise the profile and image of the area to attract new businesses as well as recover some of that which was lost as a result of the FMD epidemic.
- The marketing campaign included the following;

1. Media advertising – image building / confidence building advertisements in key

national publications and travel guides. Responses were incentivised with a holiday competition run in conjunction with local tourism operators.

2. An insert/direct mail campaign - www.want2getaway. This was distributed at the end of December 2001/early January 2002. 50,000 magazines were distributed as newspapers inserts, and 100,000 magazines were distributed using the Royal Mail door to door service, which uses ACORN profiling to select the target addresses. This followed on from the highly successful www.want2getaway campaign that was run during the middle of last year in order to try and recover/increase tourism business to Swansea Bay.
3. CD Roms – 10,000 high imagery CD Roms have been produced, which will be used to service enquiries made via the internet, fulfil email marketing campaigns and service general enquiries.

Cardiff County Council

- Received £130,000
- 40 applications received, of which 38 were approved
- The business sectors supported included:

Distribution £7,000

Accommodation £7,500

Manufacturing £17,000

Leisure & Tourism £11,600

Small Business Activities £7,000

- In the course of administering the fund, the Council also allocated £3,250 towards admin costs and professional fees to Business in Focus for independent advice and application assessment.
- A further £26,325 was provided as indirect support in the form of marketing and publicity campaign.

Blaenau Gwent County Borough Council

- Received £40,000.

- 7 grants awarded – ranging between £3,000 and £7,000.
- Businesses assisted included 4 manufacturing, 2 services and 1 tourism business.
- Further assistance was also provided through referrals to other relevant organisations i.e. website development assistance from Business Connect IT

Wrexham County Borough Council

- Received £50,000
- 34 applicants and 21 grants given – ranging from £481 to £2,898
- No other activities undertaken due to insufficient funding
- In the first round, businesses were claiming a total of £4m lost but there was only £175,000 available to give out. In the second round, grants were much less as the council was oversubscribed.

Annex 5

MEMBERS OF THE TASK AND FINISH GROUP

Joint Chairs: Mike German

Carwyn Jones

NFU	WDA	National Assembly
FUW	WTB	ELWa
Churches in Wales	Welsh Lamb & Beef Promotions	Countryside Council for Wales
Country Land & Business Association	Meat & Livestock Commission	Benefits Agency
Powys CC	North Wales Economic Forum	National Parks Authorities
Anglesey CC	Mid Wales Economic Forum	FRCA

WCVA	Menter Mon (obo Welsh leader Groups)	
Federation of Small Businesses	WLGA	
Gwynedd CC		

Members of the Joint Secretariat

NAW,

WDA,

WLGA,

WCVA,

Powys CC,

Gwynedd CC

Cytun

Annex 6

FUNDING FOR FOOT & MOUTH RECOVERY PLAN					£'000
2001-02	2001-02	2001-02	2002-03	2003-04	TOTAL
(agreed)	(bid)	(total)			(2001-04)

AGRICULTURE						
Agri-Food (WDA)*	1,000	500	1,500	1,000	1,000	3,500
Farm Business Option Reviews	0	0	0	0	0	0
Farm Development Plans	0	0	0	500	500	1,000
Farm Diversification	0	100	100	200	200	500
Capital Grants**	0	500	500	1,500	2,000	4,000
FORESTRY						
Forestry Commission	0	0	0	400	800	1,200
Forest Enterprise	0	100	100	200	200	500
Farm Woodland & Biomass	0	0	0	200	300	500
TOURISM						
WTB	1,150	4,200	5,350	0	0	5,350
Integrated Tourism & Leisure Project	0	0	0	2,000	3,000	5,000
(angling/forestry/access/etc)						
RURAL SKILLS & TRAINING						
ELWa***	0	0	0	0	0	0
RURAL STRESS						
Rural Hardship Fund	500	1,500	2,000	0	0	2,000
Rural Stress Helpline	0	150	150	150	150	450
Community Mental Health Workers	0	100	100	200	200	500
BUSINESS AID						
LA Special Grant Report (rates relief, etc)	12,000	0	12,000	0	0	12,000
Rural Business Recovery Fund****	0	9,000	9,000	0	0	9,000
Enterprise Grants	0	0	0	2,000	3,000	5,000
WDA						
Business Support	0	500	500	500	500	1,500
Infrastructure	0	0	0	1,000	1000	2,000
COMMUNITY REGENERATION						
Market Towns/Small Towns & Villages*****	0	500	500	1,500	3,000	5,000
Promotion/marketing Shows & Events (inc. YFC projects)	0	0	200	400	400	1,000
TOTALS (new money)	14,650	17,150	32,000	11,750	16,250	60,000

OTHER (EXISTING FUNDS)						
Agri-Food (WDA)*	2,000	0	2,000	0	0	2,000
Farm Business Options Reviews	1,000	0	1,000	0	0	1,000
Farm Development Plans	500	0	500	0	0	500
ELWa*****	1,500	0	1,500	0	0	1,500
SUB-TOTAL (existing)	5,000	0	5,000	0	0	5,000
TOTAL VALUE						
	19,650	17,150	37,000	11,750	16,250	65,000
			36,800			65,000

NOTES

- * WDA agri-food - £3m agreed funding in 2001/02 comprises £1m extra allocation and £2m of WDA agri-food money reprioritised
- ** emphasis on non-obj 1 areas
- *** ELWa - all years funded from reprioritising existing funds - not part of a bid
- **** a second Special Grant Report via LAs - need to decide basis of allocation: target on rural LAs with a safety net for others who can show need
- ***** provision for 10/20 projects across Wales

Rural Recovery Plan: Monitoring Group

Membership

National Assembly for Wales

Derek Jones Senior Director - Economic Affairs, Transport, Planning & Environment (Chairman)

Emyr Roberts Economic Policy Division

Steven Phillips Financial Planning Division

Jasper Roberts Rural Policy Division

Lead Agencies

Gareth Hall WDA

Ann Watkin WDA

Jonathan Jones WTB

John Taylor Countryside Council for Wales

Rachel Jones WLGA

Gwenan Davies WCVA

Simon Hewitt Forestry Commission

Secretariat

Terri Thomas Rural Policy Division

Nerys Bundock Rural Policy Division

<i>Note</i>		Assembly Government Allocation	2001-02 Forecast Outturn	Allocation 2002-03 Onwards
	<i>Marketing Replacement Fund – ADFER</i> Allows tourism businesses to apply for replacement advertising funding	£1m	£1m	-
	<i>Marketing Advantage Scheme</i> Marketing initiative providing tourism businesses with subsidised advertising space in newspapers	£200,000	£200,000	-
	<i>Area Marketing Fight Back Fund</i> Available for Area Marketing groups for joint marketing activity, match funding for additional campaigns	£500,000	£500,000	-
i	<i>Rural Marketing Initiative</i> One-off rural campaign for Spring 2002 working with key partners e.g. National Parks	£500,000	£500,000	-
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	£400,000	-
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 £500,000 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 £149,000 to assist with a 50% grading reduction next year.

v £600,000 remains in 2001-02 to reappportion over one or more of the above schemes, given flexibility by NAW.