

Cabinet Response to the Committee Report *Diversifying the Rural Economy*

Date: Wednesday 15 May

Purpose

1. To consider the Welsh Assembly Government Cabinet's response to the recommendations contained in the Agriculture and Rural Development Committee's report on *Diversifying the Rural Economy*.

Background

2. In June 2001, the Committee published its report, *Diversifying the Rural Economy*. The report contained over 50 recommendations aimed at encouraging a stronger and more diverse economic base in rural Wales.

3. The attached paper contains the response of the Welsh Assembly Government Cabinet to each of the recommendations made by the Committee.

Action for the Committee

4. The Committee is invited to comment on the responses and to agree the handling of future progress reports.

Committee Secretariat

May 2002

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Concerted and coherent policies for rural economic development

The committee recommends that the Assembly gives a clear strategic lead to co-ordinate and focus rural development policy based on a vision, principles and priorities set out in the report.

The Welsh Assembly Government gives a clear strategic lead to co-ordinate and focus rural development policy based on delivering a vision and setting priorities for rural Wales, working together with partner organisations such as the Rural Partnership for Wales.

We accept the principle that policy should be based on sound evidence and performance measures emphasising long-term measurable goals. We need to know more about the economic and social state of rural Wales and about the problems and potential remedies. This information will inform policy planning by Agencies and the Welsh Assembly Government. To this end, the Welsh Assembly

Government has commissioned the Age-Balanced Communities study to examine the factors which lead to the outward migration of young people from, and act as barriers to their returning to live in rural Wales, including access to services. It has also set up an Economic Research Advisory Panel and is discussing policy development and measurement with Agencies that have a key role in relation to economic and social development of rural areas, for example the WDA, the WTB and ELWa. In addition, Farming for the Future, which was launched last year, gives a clear vision and strategic lead on the way forward for agriculture and the agri-food sector in Wales.

Clarification of rural responsibilities

The committee recommends:

- *that the WDA should provide leadership in the delivery of rural economic development and should demonstrate a more distinct rural focus within each of its corporate programme goals;*

Ministers are acutely aware of the role that the Welsh Development Agency can play in the regeneration of the rural economy. They made clear in the annual Remit Letter to the Agency that they expect the WDA to play a full and active part in taking forward the Welsh Assembly Government's policies for the economic regeneration of rural Wales. The Agency has for some time recognised the importance of this work by identifying the issue separately as a priority in its Corporate and Operational Plans and by running a number of specific and targeted programmes such as Farming Connect. At all times, Ministers expect the Agency to work in close collaboration with partners such as Local Authorities, ELWa and the private sector. The Agency is also one of the main organisations charged with delivering the Welsh Assembly Government's Rural Recovery Plan.

- *that other publicly funded initiatives and bodies, including Business Connect, Finance Wales and ELWa - National Council should explicitly promote and monitor rural economic development.*

The Welsh economy is highly integrated and interdependent. The Welsh Assembly Government has, in liaison with its key partners, set out the agreed strategy for the future of the Welsh economy in 'A Winning Wales.' This 10-year strategy includes a commitment to work together for the benefit of the economy as a whole.

Improving the provision of advice and finance for rural businesses

The committee supports the conclusions of the EDC that there should be a single gateway for business support with the WDA responsible for building on the good practice that already exists and driving up and standardising the quality of services across Wales.

In taking forward the recommendations from the EDC following its review of business support services, a new impartial gateway to provide access to advice, training, financial support and specialist services will be launched in 2002-03 by the WDA. This will put the customer in touch with the service and the provider best placed to meet their business requirement. In parallel with the new Gateway arrangements, work is in hand to ensure that the advisors themselves are suitably trained to provide the best possible advice and are properly briefed to be able to direct customers to the various strands of help and support available from all the specialist providers. In addition, a mapping exercise is being initiated to establish what 'products' are available currently and how these might be improved, rationalised or more widely disseminated.

It recommends that:

- *deliverers of support services should be more proactive in targeting businesses in rural areas;*

In terms of general business advice and support, the gateways and support services referred to above will be founded on local areas and will reflect the make up of the local economy. The mapping exercise should identify any gaps where the services are failing to meet the needs of businesses in the area. For agriculture, it is central to the ethos of Farming Connect, which brings together many of the deliverers of support services to farming families, that the services should be proactively marketed. This is being put into practice through mechanisms such as the network of local facilitators and the Assembly's new magazine, Gwlad.

- *the specific needs of rural businesses should be taken into account in the design of business support and training packages so that services are equally accessible wherever a business is situated;*

The new business support service arrangements are designed to be responsive to the needs of business irrespective of the sector concerned. We will be looking to businesses to help identify where assistance is required and to our partners to meet those needs. The specific needs of farming families are being taken into account in the design of the business support and training packages which are being partly delivered through ELWa.

- *Finance Wales should address the needs of developing rural businesses through the easy and rapid delivery of small loans to assist with cash flow;*
- *Finance Wales gives particular attention to the needs of new entrants to farming and the land-based sector in general in the design and delivery of financial support in rural areas;*

Finance Wales has a wide portfolio of programmes, which it is required to operate on a commercial basis and within the bounds of competition law and EU regulations where it must observe sectoral restrictions. Any business starting up, seeking to expand or in financial difficulties should seek advice as

early as possible so that they can be given the most appropriate support and guidance.

- *Business Connect, or whatever brand name is used in the future, must be actively marketed to the agricultural community;*

The public consultation on business support services showed a balance of opinion in favour of retaining the brand name 'Business Connect'. However, the shortcomings in the name were recognised and it has been decided to retain the brand name to identify the gateway service only. This will be kept under review.

- *the potential to develop packages similar to Farming Connect for other sectors of importance to the rural economy should be examined;*

The new Business Connect gateway will be able to direct customers to the most appropriate services to meet their needs regardless of sector.

- *the Assembly should produce an easy to use guide to financial support.*

The WDA are working on a new directory of all publicly funded business support services including those offering financial assistance. However, a grant may not be the most appropriate remedy and any business seeking financial support will in future be encouraged to seek business advice to ensure that they are given guidance and access to the most appropriate source of help.

The committee also endorses the support given by the EDC for the introduction of a Tier 3 Enterprise Grant.

The Assembly Investment Grant Scheme was opened for business on 2 April 2002.

Improving the evaluation and performance of agencies and policies

The committee recommends that:

- *an agreed and consistent definition of rural Wales is developed against which rural policies and outputs can be monitored;*

The Welsh Assembly Government is looking at developing better definitions of rural taking into account the work done in Scotland and England. Definitions may vary depending on the level of policy focus. In addition to trying to define the character of rural areas, for example, the nine predominately rural local authorities, we need to look at the levels on which data is gathered which may then be aggregated in the

light of the particular issue under scrutiny. Work is also underway on refining the Index of Rural Deprivation.

- *the Assembly's rural policy division should audit the performance of agencies and programmes of particular significance for the rural economy and monitor the performance of the rural economy against targets agreed within the framework recommended earlier in this report;*

The Welsh Assembly Government is discussing with key Agencies the development of performance measures in their areas.

- *the Assembly and other public bodies should adopt a rigorous approach to rural policy evaluation.*

It is agreed that policy should be regularly and rigorously evaluated and this is something that the Economic Research Advisory Panel will be looking at. An Economic Research and Evaluation Unit is also being established within the Assembly's Research and Development Group.

Improving skills development and business-education links

The committee recommends that an early task for ELWa should be to assess the demand for post 16 learning in rural Wales and to formulate proposals on how this could be best met.

A steering group of external stakeholders has been established by the National Council ELWa to guide a review of post 16 education and training provision available to the agriculture and wider land based sectors. The focus of this review is upon formulating proposals for how provision should best be adapted to reflect demand and needs.

The National Council ELWa's research into the skills and training needs of its customers and the production by the Council's Regional Committees of statements of regional needs and priorities will enable the wider post 16 learning needs in rural Wales to be assessed.

The committee feels it is essential to equip the rural population with skills to fully exploit the potential of ICT both as a learning and business tool.

The strategic framework Cymru Arlein specifically aims to establish Wales as a place where local communities actively use ICT to remove physical, geographic and linguistic barriers and to combat social inclusion. A key commitment in the strategy is to ensure everyone in Wales can acquire the skills and understanding to participate in and benefit from the Information Age. The objectives are to:

- Improve ICT facilities in all training and education establishments and enable effective use of these facilities.
- Encourage the development of essential ICT skills throughout local communities.
- Encourage the development of a coherent framework for ICT qualifications in Wales.
- Encourage the development of bilingual educational and training materials that are relevant to needs in Wales to enable life long learning and support the Welsh National Curriculum.

The strategy outlines a wide range of action to meet these objectives in schools, further and higher education and other lifelong learning sectors and we will work with partners in the Public and Private sector to widen access to ICT training, and increase participation in learning using IT to offer remote access to learning for those in rural areas.

As part of Cymru Arlein the National Council ELWa has established an e-learning and ICT expert group to support activity in this area. Also, in April delivery will begin of a new ICT training programme for farming families. This programme aims to equip farming families with the skills to fully exploit the potential of ICT within their businesses and it is anticipated that it will also stimulate the wider use of ICT within the rural Wales.

From the farming perspective, ELWa will launch a coherent package of business management and IT support next month as part of the Farming Connect initiative.

In terms of tourism, in 2000, the Welsh Assembly Government allocated £4 million over 3 years to the WTB towards the development of a Destination Management System (DMS) for Wales. The aim is to give Wales a far bigger profile on the web and to let visitors book and gather information online. The "VisitWales" project is well underway, with a team of ten people dedicated to ensuring that it is up and running from May 2002. The business tools are now in use and WTB are undertaking training with the industry - around 350 businesses have signed up for training. WTB are having good feedback from attendees and have had some success in encouraging people to take basic ICT courses. Some businesses are currently putting their own time into developing these skills.

To raise individual demand for learning and skills acquisition in rural areas the committee recommends that:

- *consideration should be given to the viability of a learning maintenance allowance to assist with the high cost of accessing training for those living in rural or isolated areas;*

The Education Minister announced on 12 February a new scheme of means tested Assembly Learning Grants to be introduced from the Academic Year 2002-03 for FE and HE students who are over 18 years old and normally domiciled in Wales.

The National Council- ELWa recognise that there is a higher cost of accessing training for those living

in rural and isolated areas and the 'rural premium' is being considered in its current review of funding of all types of provision. A specific priority has been identified within Mid Wales to develop innovative and sustainable approaches to delivering learning to small and scattered groups in order to make training more accessible to those living in rural and isolated areas.

- *the Assembly and ELWa should aim to make formal agricultural and business training the norm for all young farmers, possibly through the use of selective bursaries;*

There are a wide range of courses available in the land-based sector at all levels from entry level to post graduate. These are delivered through full and part-time courses, National Traineeships, Modern Apprenticeships and distance learning. Training allowances are available in some circumstances. We will work with ELWa, Careers Wales and the NTO/Sector Skills Council to encourage all young people pursuing a farming career to undertake formal training leading to recognised qualifications.

The National Council - ELWa's review of education and training provision to the agriculture/land-based sector will review the need and delivery mechanisms for this recommendation.

- *ELWa should promote the increased use of industrial and commercial placements as a part of further and higher education courses;*

Many HE and FE courses make use of employment placement and the National Council ELWa is about to redevelop their Education Business Links programme which should allow for this. In addition, the Skills and Employment Action Plan asks ELWa-HEFCW to encourage HE institutions to take steps as part of their teaching and learning strategies to ensure that all their students acquire employment related skills, drawing on the full range of learning experiences including work experience and voluntary activities.

- *ELWa should promote more widespread use of foundation degree and HND level courses linked to providing employment in growth industries in rural Wales.*

The Assembly Government has made funding available in 2001-02 to support the development of Foundation Degrees. We have asked ELWa-HEFCW to encourage and support the wider introduction of the two-year foundation degree in Wales

With regard to education and training providers the committee recommends;

- *ELWa and CCETs should encourage providers to recognise the particular needs of those living in more remote rural areas and tailor provision accordingly through, for example, the imaginative use of ICT and co-operation with partner institutions;*

CCETs are the local partners in planning education and learning provision at the local level and ELWa need to ensure that where relevant these areas are addressed by CCETs. Indeed, the issue of how

learning can appropriately and viably be provided to small groups in rural Mid Wales was explored at a recent Mid Wales CCET/Regional Committee meeting.

- *ELWa and CCETs should consider how best to balance the need for locally provided learning in rural areas with the benefits of provider specialisation. In particular, to review the provision and delivery of agricultural training;*

The National Council – ELWa are currently reviewing the provision and delivery of agricultural training.

- *ELWa and CCETs should encourage a more concerted and co-ordinated approach to the development of skills training tailored to the specific needs of rural businesses;*

Over the coming year the National Council-ELWa will be reviewing the means by which it serves businesses. Within the Mid Wales region the National Council-ELWa is beginning work with some priority sectors for the rural economy with the aim of promoting skills training e.g. with the forestry/timber and alternative energy sectors.

The National Council ELWa's agricultural training review, launch of an ICT training programme for farming families and development of a management development programme for farming families, which are all being integrated with Farming Connect, will increase the promotion of skills training within this traditional industry.

The National Council - ELWa and the WDA are beginning work to look at the skills needs of the agri-food sector and the role of the food centres of Wales in supporting these needs.

The Tourism Training Forum for Wales (TTFW) secured additional funding from ELWa of £50k in 2001 and a bid has been made for a further £200,000 over the next 2 years. The TTFW Ltd is awaiting a response from ELWa regarding the official approval of that amount.

The TTFW (from April this year) will operate as a full time independent organisation. The Forum's aim is to become the primary source of leadership, guidance and co-ordination for tourism training and education in Wales.

- *ELWa should identify rural skill shortages and gaps in provision with CCETs taking subsequent action taken to address these.*

In order to help assess skill issues in Wales and identify ways of tackling them the Welsh Assembly Government, in conjunction with a wide range of partners including CBI, TUC, ELWa, WDA, WLGA, has led the Future Skills Wales project. The main report and regional reports, including reports for South

East, South West Wales, North and Mid Wales were published in March 1999. Data are available down to local authority level. Further work has since been done to identify the vocational skill needs of specific sectors and these reports were published in November 2000. This included a report on skill issues affecting the Agriculture and Farm Enterprise sector in Wales. In addition the National Training Organisation for the land-based industries - LANTRA - has produced an analysis of skills needs in the Land-based sector and a workforce development plan for Wales, which sets out to address the skills development needs of the land-based industries. Through this work we are beginning to gain a better understanding of skills needs in Wales and it is important for all those involved in the rural economy to use this information to plan their policies and actions.

The new Sector Skills Councils, which, from next April, will replace National Training Organisations, will be tasked with addressing the key concerns of their sectors in reducing skill gaps and shortages, improving productivity, services and business performance, increasing employment across their sector and improving learning frameworks and occupational standards. LANTRA has been selected as a trailblazer SSC which will help it further develop its skills and training work in the land-based sector.

The Skills and Employment Action Plan contains several actions to build on the success of Future Skills Wales by further improving the evidence base and developing closer integration with the work of the new Sector Skills Councils. The Action Plan remits ELWa to disseminate regular skills intelligence to their training providers and to CCETs at least annually.

To raise employer appreciation of the value of training and to encourage businesses to put learning at the centre of their business planning the committee recommends that:

- *ELWa and CCETs should consider how best to provide incentives for learning providers to collaborate with local industry;*
- *ELWa should take action to stimulate small and medium employers in rural areas to increase the volume and quality of their training;*

The Skills and Employment Action Plan recognises the need to improve the motivation of employers to support training and learning within their organisations and that interventions are required to help generate wealth creating innovations. The plan remits. The National Council -ELWa, to work with the new Sector Skills Councils to establish networks of employers across Wales to share best practice and facilitate joint approaches to learning; and to provide flexible packages of support to help employers invest in the skills of their employees.

- *ELWa and the learning providers they fund should be encouraged to develop an 'innovation network' approach, for example, through collaborative university/business groups focusing on technology transfer.*

The Skills and Employment Action plan remits ELWa-HEFCW to chair a Working Group to prepare an

overall strategy for linking employers to higher education in Wales, looking specifically at how employers in Wales might make better use of high level skills. Collaboration between FE and HE institutions and business is being greatly encouraged by means of the £34m Knowledge Exploitation Fund which runs until 2003-04. Extension of this scheme will be considered in the light of performance.

Fostering local initiatives and spreading good practice

To spread good practice and encourage genuine collaborative working the committee recommends:

- *developing policy within the coherent strategic framework set out in this report will help clarify roles, so avoiding duplication and wasteful competition;*

In developing rural policy, the Welsh Assembly Government will continue to work within a coherent strategic framework set in discussion with other partner organisations, including the Rural Partnership for Wales, and across the Assembly as a whole to co-ordinate activity and avoid wasteful duplication. The Welsh Assembly Government will shortly be piloting an Integrated Policy Tool specifically aimed at enhancing the coherence of Assembly policy.

- *building evaluation and research more consistently into policy development will encourage a culture where appraisal and benchmarking against practice elsewhere in Wales, the UK and abroad is the accepted norm;*

The Welsh Assembly Government is currently supporting an Economic Research, Analysis, Monitoring and Evaluation Programme; establishing an Economic Research Advisory Panel; setting up an Economic Research and Evaluation Unit in the National Assembly; and exploring ways of strengthening external research capacity. The Welsh Assembly Government's scoping study into current economic research and future needs concluded that:

- Our understanding of the economic issues affecting Wales, the impact of policies and programmes, and the quality of our data, while improving steadily, needs to improve further;
- We need to make even greater efforts to commission practical research to inform policy and secure even better value for money. We do not have robust arrangements for co-ordinating economic research, so there is a risk of overlap;
- Capacity for economic analysis in Wales is limited and is spread thinly;
- Evaluation tends to focus on measuring activity rather than assessing impact;
- Cross cutting research is limited.

Taken together, the Welsh Assembly Government believes that these measures will add significantly to our understanding of economic issues, interventions and the impact of policies. The Economic Research Advisory Panel will strengthen collaboration between the Assembly, social partners, HE and the key economic agencies and bring greater co-ordination to our research activities.

In addition, the Assembly Department for Training and Education plans to establish a new liaison group with the higher education sector to draw more effectively on research to inform the policy on and the delivery of education and training in Wales.

- *that the Assembly should explore the scope for rewarding and recognising collaborative working and building this into performance evaluation;*

Collaborative working between higher education institutions and between Higher Education Institutions and other learning providers, business and community organisations lies at the heart of the Assembly Government's strategy for HE which was announced on 7 March.

CCETs are based upon the principle of collaborative working. The evaluation of this form of collaborative working should feed into this action.

Through Farming Connect and its use of development centres and demonstration farms and through the National Council-ELWa's review of the training provision to the agricultural sector, means are being explored for further increasing the technology transfer and networking within the sector

The Rural Recovery Plan has also encouraged collaborative working between Agencies and other bodies.

- *that the WDA, working with ELWa - National Council, should take the lead in assessing and disseminating best practice advice;*

The National Council-ELWa has responsibility for disseminating best practice advice on Human Resource Development issues. Also, the WDA and ELWa- National Council are working in close collaboration to identify the most effective means of delivery to ensure that businesses derive maximum benefit from the public sector.

- *the wider use of specific sector action plans, following the model of the agri-food partnership, for other significant rural sectors;*

Within the overall policy parameters set by the Welsh Assembly Government, the Welsh Development Agency develops and leads on policies and schemes to enhance and develop the Agri-food sector, one of the key businesses relating to the rural economy. The Welsh Assembly Government and the WDA have jointly commissioned research into growth sectors following the agri-food model. This research is likely to be complete in the summer of 2002 and will enable the Welsh Assembly Government to formulate policy on support to growth sectors leading to the publication of Action Plans in January 2003.

In addition, the Age-Balanced Communities study is designed to produce a specific Action Plan to address the needs of young people in rural areas. The Welsh Assembly Government is also supporting research by the Wales Rural Forum into the potential for growth node strategies to stimulate rural economic development.

- *concerted efforts by regional economic fora and WDA and ELWa regional offices to promote liaison and co-ordination between public sector providers of support and advice and the private sector.*

The new gateway arrangements will be supported by the regional networks of the WDA and ELWa which will work to ensure that the private sector plays a full role in determining the nature of the local demand for and the best means of delivery of local support services.

Improving the provision of workspace and business incubation developments

The committee recommends that part of a more focussed approach to rural policy development should examine the potential for establishing rural ‘incubators’ learning from the experience of local authorities and others with relevant experience.

The WDA runs many programmes and grant schemes, such as the provision of premises or support for other business related activities which, while not directly badged to rural economic development, are nevertheless available in rural areas. The Agency’s programme of supporting Techniums across Wales is likely to result in the development of centres of excellence and new business opportunities in rural areas.

Marketing and adding value to rural produce

The committee recommends that:

- *an image of Wales as*
- *a distinctively clean, green environment in which to live, learn and work;*
- *a modern, growing, knowledge-based economy; and*
- *a devolved, open democracy committed to the principles of sustainable development,*

should underpin the work of the Assembly and other public bodies in marketing rural Wales and its products;

- *at a sectoral and product level this image should be further developed through the work of national and local public bodies in a co-ordinated approach to marketing particular sectors, products and areas;*

A Winning Wales sees Wales’s environment as a key asset. It offers settings for the development of several clean energy technologies, organic and other environmentally friendly food production, knowledge-based businesses, and many other possibilities. Wales can be a showcase of sustainable

economic development. The green economy can be a catalyst for a sustainable economy, as well as generating significant employment opportunities in its own right.

The Welsh Assembly Government recognises that the distinctively clean and green environment of rural Wales is a strong selling point, and has encouraged organisations such as Welsh Lamb and Beef Promotions to use this image in marketing Welsh produce. However, it is important to recognise that this is not a unique selling point, and so the Welsh Development Agency has undertaken further work on branding to seek to gain a sustainable, long-term competitive advantage for Welsh food, using the True Taste brand positioning.

- *the collective development of supply chains - to link producers more effectively to markets, to develop premium branded products with an environmentally positive image, and to ensure a greater share of value added for primary producers – developed by the Agri-Food Partnership and Coed Cymru should be extended to other sectors;*

This will be taken forward as part of the development of new sectoral Action Plans. These are currently being developed for horticulture, fish and aquaculture and woodland management and biomass with other sectors to be addressed as they are identified.

- *major public bodies should, if possible, encourage local, quality-based procurement policies paying due regard to the goals of the Assembly's Sustainable Development scheme as well as to financial considerations.*

The Committee's recommendations are very much in line with the position of the Welsh Assembly Government, which because of the sustainable development duty, is keen to use public sector money to underpin its social, economic and environmental aims.

The Assembly Government is taking a lead. A new Voluntary Code for suppliers, published on the National Assembly for Wales Procurement Unit web site (www.winningourbusiness.gov.uk), makes it clear that the Assembly wants its suppliers to live up to good basic requirements on sustainability, equality and social issues. The web site also includes details of how to do business with the Assembly, and information about contracts to be let. A new supplier database is currently under development which will ask suppliers to give details of their sustainability, equality and social policies, and when this is in place all Assembly suppliers will be asked to sign up to the Voluntary Code.

Under the Welsh Procurement Initiative (www.wales.gov.uk/bettervalue), it is planned to produce a national web site for the Welsh public sector. The Assembly Procurement Unit web site will be used as a model. The national web site will be developed by working in partnership with the Welsh Development Agency. It is hoped that the national web site will be launched in the Autumn of 2002.

Procurement is an important mechanism in delivering sustainable development at all levels, and the draft Compact with the WLGA, reflects this.

The committee wishes to see the creation of new 'knowledge-based' businesses and clusters.

It feels it is essential that available funding is co-ordinated and integrated so as to have a cumulative effect on the marketing of rural Wales and its products.

The Welsh Assembly Government is fully committed to an integrated and cohesive approach to the development of rural Wales and is working with partner organisations and Agencies such as the WDA and ELWa to explore a range of options. Increasing business R&D as a key element of the drive to develop a knowledge driven economy is at the forefront of Welsh Assembly Government economic development strategy. In pursuance of this aim, the prudence of a more sectorally focussed approach is currently being considered. In conjunction with the WDA, Assembly Government officials are working to identify sectors likely to benefit most from such an approach, which will feature the promotion of closer industry/academic collaborations as a vital component."

Community economic development

The committee wishes to stress that services, as well as being important local economic activities in their own right, also provide the basic infrastructure on which more widespread economic activity is based.

The committee feels the approach being taken to assist the most deprived communities across Wales – in particular, a commitment to the long-term and to partnership - would also help to encourage community-led economic development in rural communities.

The Welsh Assembly Government fully supports the case for community based economic development and recognises the role and value of partnership in building sustainable community regeneration. This has been demonstrated consistently by our support for community groups and projects and, through the European Structural Funds, the LEADER+ Programme. The Communities First programme also focuses on the most deprived communities in Wales and is delivered through local Partnerships. Jobs and business feature as a key theme in the programme guidance's vision framework which informs the development of Community Action Plans. Plans should address the need for a full range of support services for the growth of private, community and social enterprises. These opportunities to deliver economic and social development should be available to community based organisations across the whole of rural Wales

In addition, as set out in *BetterWales*, the Welsh Assembly Government is committed to strengthening the Credit Union movement in Wales as part of its social inclusion agenda. Credit Unions:

- contribute to economic growth
- provide important financial services
- bring communities together

The main project is jointly funded by the Assembly and Structural Funds which will provide some £3.5m, committed to Credit Union growth over the life-span (3 years) of the project. It is being delivered through a partnership between the Wales Co-operative Centre and the Association of British Credit Unions Ltd. There are currently 45 Credit Unions in Wales, with 500 volunteers serving a membership of over 12,000.

The aims are that by 2003/4:

- number of volunteers will double to 1,000
- membership will treble to 36,000
- 3,000 members will have been trained
- support via financial exclusion projects will have been offered to 1,800 people

The committee recommends:

- *the spread of the flexible 'tool-kit' approach to community regeneration policy;*

The WDA has developed a clear Community Regeneration Policy. Supporting this is a co-ordinated toolkit consisting of eight core levers that can be applied in response to the particular stage of regeneration within any community. While the tools can also be used individually, the kit represents a flexible approach to working in and through effective local partnerships and provides the opportunity for integrated development. The model can also be linked with other locally led partnerships in the Objective 1, 2 and 3 areas. The Welsh Assembly Government has given a further £5m through the Rural Recovery Plan to support community regeneration in the wake of FMD.

- *that specific packages should be available to support the training of people in community development project management;*
- *that development agencies should look to encourage individuals with ideas with economic potential just as they work with more 'traditional' models of entrepreneur;*

Projects that can be supported through the community toolkit approach can include capacity building, training and community business development, bringing the entire WDA portfolio of services to benefit schemes. Capacity building also features as a key element of the Communities First programme. Funding is available to help support individuals, groups and agencies working at the local level to play a full part in regenerating their communities. Training of sufficient numbers of community development workers is crucial to the success of the programme and the Welsh Assembly Government is keen to see local people encouraged to take on community development and Communities First Co-ordinators roles with the appropriate support and training.

The Welsh Assembly Government also recognises the importance of maximising the economic potential

of people in all parts of Wales. Under the Entrepreneurship Action Plan, the WDA is working with a wide range of bodies in the public and private sectors to encourage people to become more enterprising in their outlook and to offer advice and practical support to those with business ideas.

- *that a co-ordinated approach from the Assembly is needed to the funding and support given to independent development bodies;*

The Welsh Assembly Government is funding a consortium of organisations to help us support the implementation of the Communities First programme. This is known as the Communities First Support Network. There are currently 7 organisations that form part of the network, these are:

- Community Action Network
- Community Development Cymru
- Development Trust Association
- Groundwork Wales
- Menter a Busnes
- Wales Co-operative Centre
- Wales Council for Voluntary Action

The Network offers a range of services: capacity building and organisational development support; information and advice services; development services to aid community development practitioners and the Communities First Trust Fund which provides small scale, easy to access funds for local community groups.

In addition, the Welsh Assembly Government supports the Community Loan Fund (CLF) which, since its establishment in Autumn 2000, has made an impressive start - loans of almost £500,000 were made in the first four months.

The joint venture between Finance Wales & HSBC supports a wide range of community projects.

The CLF supports community regeneration throughout whole of Wales, with priority to Community First areas. It helps the community sector increase long-term sustainability and provides access to sound business advice. It is especially beneficial to community organisations that find it difficult to obtain traditional finance and encourages a more entrepreneurial spirit in Wales.

It is the Welsh Assembly Government's intention that the Fund will continue its good work and the number of projects supported will continue to grow. Funds totalling £1.949m have been allocated in support of the CLF over the four years ending 2004-05, which will be match funded by HSBC giving an overall budget of nearly 4 million. Since these are loans, funds aim to be permanently self-sustaining

- *that local authorities will help articulate the specific needs of individual communities.*

Section 4(1) of the Local Government Act 2000 places on principal local authorities in Wales a duty to prepare community strategies for promoting or improving the economic, social and environmental well-being of their areas, and contributing to the achievement of sustainable development in the UK. Section 2 (1) of the 2000 Act gives local authorities in Wales broad new powers to improve and promote local well-being as a means of helping them to implement these strategies.

The Assembly issued guidance in August 2001 for local authorities on the preparation of community strategies and is holding a series of seminars across Wales to discuss and develop this process further. Seminars have been held at Carmarthen and Wrexham and more are being arranged. It is also planned to establish a web-site devoted to community strategies and their preparation. Draft guidance on the scope of the power under section 2 (1) of the 2000 Act, the power for promoting well-being, has gone out to consultation and it is hoped to issue the final version of this document shortly.

The committee supports the continuing facilitation of local appraisals by public and independent organisations to inform development plans.

The public sector needs to recognise the potential of community enterprises and to make advice and support as readily available to them as to more 'traditional' forms of entrepreneur.

The community ownership, development and operation of local services is increasingly seen as a way of maintaining service provision in rural areas. The committee supports such moves and would urge the Assembly and other public bodies to take a sympathetic approach in terms of planning and support where possible.

The committee believes that public support needs to be flexible enough to encourage the development of fledgling community-led projects and given on a long-term basis.

The Welsh Assembly Government will continue to use all of the resources available to it, including the Rural Development Plan and the LEADER+ Programme, to support and encourage multi-Agency working and the contribution of independent bodies to the regeneration of communities in rural Wales.

The regeneration of communities in rural Wales can contribute positively to the well being of the Welsh language in those areas. For example, Menter Môn, the Leader Body in Anglesey has a Language Branch Menter Iaith Môn, which is funded by the Welsh Language Board and complements its activities by providing practical support to the private sector, particularly tourism in their use of Welsh.

Pro-active land-use planning as part of rural regeneration (July 2000)

The committee recommends additional research in a number of areas:

- *the reasons for farmers' negative perceptions of the system and appropriate solutions. The research should examine if farmers are inhibited from bringing forward applications by real or*

perceived barriers imposed by the planning system;

The 'Farm Diversification' research project prepared by the Land Use Consultants in collaboration with the University of the West of England and the Welsh Institute of Rural Studies for the National Assembly, (2001) looked at farmers' perceptions of the planning system. The project concluded that the farming community saw the benefits of the planning system, even if they may have personal frustrations with it. The overall results of the study do not suggest that planning is a major barrier to farm diversification or that there needs to be a fundamental overhaul of the planning system – its policies or procedures – to achieve farm diversification. From this research there are no strong indications that planning is putting off applicants from bringing forward diversification proposals. The research suggests that farmers perceived lpa's were becoming more positive towards farm diversification.

- *the number and nature of diversification projects submitted, reasons for refusal and conditions imposed on those approved;*

The 'Farm Diversification' project analysed existing quantitative data, undertaking detailed appraisal of planning registers and analysing appeal decisions. The project presented results for types of farm diversification, approval rates and reasons for refusal.

- *the spatial perspective of the relationship between planning and diversification at the national, regional and local level. The research should examine the need for local guidance to address local circumstances and should identify possible conflicts with national guidance at the local/ regional level;*

An ongoing Wales Planning Research Project 'The Rural Economy and the Planning System' is investigating the spatial relationship of rural diversification in the context of the planning system. The research is looking at how national policy is interpreted at the local level to meet local circumstances through lpa's development plan policies. The findings are expected to be published in Spring 2002 and a seminar will be held to discuss the results.

- *the relative merits and practicability of incorporating a rural business class into the use classes order;*
- *whether the definition of permitted agricultural development within the General Permitted Development Order is adequate*

The 'Farm Diversification' research investigated and discussed various proposals to change secondary legislation including the introduction of a Rural Business or Enterprise Use Class. The research concluded (Recommendation 2) that such a Use Class should not be introduced. Further research commissioned under the Wales Planning Research Programme is likely to investigate other possible changes to legislation, which could benefit the rural economy.

In addition, subsidised planning advice will be provided as part of the Farming Connect initiative from 2002-03 onwards. This should give farming families access to professional advice of the requirements of the planning system and the opportunities available, and in time should remove the perception that there are barriers which act to inhibit farmers from making applications.

The committee recommends:

- *that the Assembly's Sustainable Development Scheme should provide the guiding principles for the planning system and that planning guidance makes clear that economic, social and environmental factors should all be given equal consideration;*

The planning system has a fundamental role in delivering sustainable development in Wales. It must help in the process of balancing and integrating these objectives in order to meet current development needs while safeguarding those of the future. In particular the planning system, through both UDPs and the development control process, must provide for homes, infrastructure, investment and jobs in a way which is consistent with sustainability principles' (Paragraph 2.1.5, Planning Policy Wales). The strategic land use planning policies set out in Planning Policy Wales are fully compatible with the Sustainable Development Scheme and promote sustainable development by balancing economic, social and environmental factors.

- *the development of clear, all-Wales strategies on energy and waste to provide a coherent background against which to judge planning applications;*

A review of Technical Advice Note 8 (Wales) Renewable Energy is currently underway in close co-operation with the renewable industry and environmental groups. A consultation draft will be issued in 2002.

From the energy perspective the Welsh Assembly Government's aim is to secure the strongest economic development policies to underpin growth and prosperity in Wales. And in this to recognise the importance of clean energy development both as an economic driver and in taking forward the Assembly's commitment to sustainable development. Our guiding principles and current overarching renewables policy is to stimulate development where it is economically attractive and environmentally acceptable. Plan for Wales 2001, identified the need to put Wales on the path to becoming a global showcase for clean energy production and by 2010 to have 10% of electricity production in Wales from clean energy sources. This was endorsed in 'A Winning Wales' which recognises the potential for Wales to lead in growth sectors including clean and renewable energy, low carbon technologies. The Economic Development Committee's review of energy in Wales will embrace these objectives. The review, which began in October 2001, will also explore possible long term scenarios for (non-transport) energy production and use in Wales, and make recommendations to the Assembly Cabinet on a strategic framework most appropriate to achieving the optimum use and generation of energy in Wales by 2020 and with regard to further developments. The Assembly Government will respond to this report in due course.

Environment Protection Division has the lead on the Wales Waste Strategy and there has been close liaison between the two Divisions during its preparation. As stated in the report, the draft Wales Waste Strategy issued for consultation in 2001 and the final version is likely to issue in Spring 2002. European Directives require significant changes in the way we deal with waste and the Strategy for Wales will develop the necessary changes already set out in Waste Strategy 2000 England and Wales. Planning guidance has been revised to help implement these changes (Planning Policy Wales (2002) and Technical Advice Note (Wales) 21 Waste (2001)). This will require the establishment of regional arrangements of local authorities to produce regional waste plans to inform land use allocations for waste facilities in UDPs, resulting in an integrated and adequate network of waste management facilities to treat, manage and dispose of all the waste produced.

- *a more pro-active planning advice service for rural business integrated into a broader training, business advice and demonstration package. As part of this package we recommend;*
- *the development of a good practice guide to encourage small scale farm diversification;*
- *increased dialogue between the farming community, rural businesses, planning authorities and other public bodies drawing on best practice in local planning authorities;*
- *the establishment of nominated liaison officers in local authorities to assist farmers and others in navigating their way through the planning process. These officers should be linked into the newly established telephone helpline providing advice to farmers;*

ARAD is currently working with the WDA to provide assisted planning advice to farmers wishing to pursue non-agricultural diversification projects under Farming Connect. The guidance notes produced to assist farming families in making Farm Enterprise Grant applications are intended to assist potential applicants - together with the consultants who have helped them to draw up Farm Business Development Plans - to consider all the possibilities for diversifying their business enterprise. Experience in administering the scheme should provide the basis for the dissemination of good practice in this area.

Also, a protocol is being drawn up between Farming Connect partners and the Welsh Local Government Association in order to ensure that local authorities are fully linked in to the provision of all Farming Connect services. Nominated local authority contacts in all the relevant subject areas have been provided.

- *that the Technical Advice Note on design should be revised to give enhanced guidance;*

A draft revision of Technical Advice Note (Wales) 12 Design was issued for public consultation in 2001. A revised version is expected to issue in Spring 2002.

- *that impact on future business viability should be taken into account when assessing planning applications;*

By law each planning application has to be considered by the local planning authority on its merits having regard to the provisions of the statutory development plan and to any material considerations. Decisions on planning applications must be made in accordance with the adopted development plan unless material considerations indicate otherwise.

The advice in Technical Advice Note (Wales) 6 Agricultural and Rural Development (2000) may be of relevance. Paragraphs 8 and 9 state that when assessing planning applications ‘the effect of severance and fragmentation upon the farm and its structure may be relevant’ and ‘the effect on the capital investment of a farm should, therefore, be taken into account as part of the consideration of the agricultural case’.

- *a criteria-based system where each application is assessed on its merits rather than against a list of suitable activities;*

Unitary development plans (UDPs) prepared by individual local planning authorities provide the means through which they set out their policies for the control of development. While, by law every application must be judged on its own merits, policies in UDPs can set out the criteria against which applications will be assessed. ‘Planning Policy Wales’ advises lpas that their UDPs should include policies encouraging farm diversification and new rural development opportunities which set out clear criteria against which planning applications will be assessed. It further advises lpas that development plan policies ‘should not simply list the types of development which might be appropriate but should focus on the input of different types of development.’

- *that planning guidance should allow for small-scale diversification developments within existing farm complexes;*

‘Planning Policy Wales’ encourages local planning authorities to adopt a positive approach to development associated with farm diversification in rural areas, irrespective of whether farms are served by public transport. It states that, ‘while initial consideration should be given to adapting existing farm buildings, the provision of a sensitively designed new building on a working farm within existing farm complexes may be appropriate where a conversion opportunity does not exist.’

- *that the Town and Country Planning Act 1990 definition of both agriculture and forestry should be clarified and extended.*

The ‘Farm Diversification’ research considered recommendations to ARD Committee from a number of organisations suggesting changes to primary and secondary legislation. Overall the research recommended that there should be no change to primary and secondary legislation. The research specifically recommended that farm diversification should not be added to the B1 Use Class, that a Rural Business/Enterprise Use Class should not be introduced and that the Use Classes Order should not be changed to include leisure and recreation within the definition of farming.

The Role of Transport in Diversifying the Rural Economy

Although the underlying vision and principles in the Report identify access as an issue this is not clearly reflected in the individual recommendations. The Welsh Assembly Government is supporting local authorities in developing improvements to the highway infrastructure and public transport services to help deliver integrated transport to rural areas with benefits of economic and personal accessibility.

Transport Framework

The Transport Framework for Wales was published last November and provides a vision of an integrated transport system for Wales. The aim is to deliver an efficient, sustainable transport system to support the increasing economic and social need for accessibility and mobility. As well as conforming with European and United Kingdom legislation and policy the Framework is compatible with a wide range of other strategies and policies including the Agriculture and Rural Development Committee Report (ARD) on Diversifying the Rural Economy.

The ARD Report recognises that communities provide a springboard for economic regeneration but they can only be sustained if they have access to the services they need including high quality public transport.

Grants to support bus services

The Welsh Assembly Government has been providing increasing financial support for local authorities, since 1998/9, to subsidise local bus services. This started as the Rural Bus Subsidy Grant, reflecting the original purpose to support bus services in rural areas. . The scope of the grant has now widened and is called Local Transport Services Grant. Nevertheless, although there is no longer a requirement for authorities to spend a minimum account in rural areas, allocations are determined in part to reflect sparsity of population. As a result the largest allocations are to rural counties such as Carmarthenshire and Powys. In 1998/9 the total allocation was £2.25m, in 2002/03 this will be £7.52m.

In addition we are supporting the development of innovative approaches to public transport. In the Deeside area of Flintshire a Demand Responsive Transport (DRT) pilot scheme proposes bus services which respond to individual demand, rather than running to a set timetable and route. The DRT is a 'bus that thinks it's a taxi'. Trips will be booked on a regular or one-off basis by telephone or internet and purpose built software will allocate the trips to appropriate vehicles in the most cost-effective manner. The introduction of a flexible public transport facility will enable a real choice to be given to those commuters who currently use the car, and offer new employment choices to those currently without access to a car. The proposed service will aim to match the motor car in terms of travel times, not least as a result of the associated bus priority proposals. The vehicles that will be used for the DRT system will be of high quality, able to compete with the motor car in terms of comfort. By providing the service at times to suit the needs of all potential users and by offering a door to door service, issues of personal safety are fully addressed and will offer a comfortable journey for all types of passengers including the

disabled.

In Snowdonia National Park as part of the Snowdonia Green Key Initiative the Welsh Assembly Government is supporting the design of public transport interchange gateways and the provision of Real Time Passenger Information. This is seeking to support access to the National Park area by public transport and to boost the economy of the area by encouraging visitors to spend more in the park. Northern Snowdonia receives an estimated 6.6 million visitor days per year but the economic returns to the local community from this visitor use is relatively low as most do not spend locally. There is a danger that the amount of cars entering the park will contribute to environmental damage through pollution, noise, visual blight, fly parking and congestion. The scheme will provide long term employment and economic development opportunities for local people; secure a realistic choice of safe, clean, quality and accessible travel methods in the area – all year round; ensure access to essential facilities and services through an improved range and quality of travel opportunities; reduce visitors' reliance on the private motor car as a means of travelling to and around Northern Snowdonia; increase the input of tourism in the local economy and enhance the visitor experience by satisfying their requirements in terms of the quality and range of facilities services and attractions available.

Community Transport

The Welsh Transport Forum has been carrying out a review of community transport in Wales. One of the conclusions of the audit of existing schemes is that the development of unconventional and community transport in Wales has not kept pace with that in England and Scotland. Unconventional and community transport has a particularly significant role in rural areas, where there are typically few commercial bus services.

Internal and external consultation on the recommendations of the community transport review is currently taking place before a full report and action plan is discussed at the Welsh Transport Forum in June.

One of the recommendations of the Environment Planning and Transport Committee's Policy Review of Public Transport was *to develop community transport as part of the mainstream of provision*. The Welsh Assembly Government is providing financial support to the Community Transport Association over a three-year period in order to enhance its advisory role. In addition, the guidance to local authorities on Local Transport Services Grant, for 2002/03, advises that they are normally expected to spend at least 5% on community transport.

The Transport Framework recognises that there must be an emphasis in transport on providing a safer and better environment by reducing isolation and providing opportunities for rural diversification, facilitating walking and cycling and improving air quality.

The Welsh Assembly Government is also supporting a number of innovative public transport schemes designed to enhance access for those without a car who are not on main transport routes.

In Pembrokeshire we are providing funding for a feasibility study by SWITCH into a pilot project to develop a vehicle co-ordination and demand management centre or centres in the region for community transport and transport provided by other agencies, to ensure best use of all existing and future transport resources and one-stop call centre(s) for users. The project will improve public access to and information about unconventional transport i.e. by reason of geography or disability. The call centre will enable these requests to be directed to transport providers with appropriate accessible and safest vehicles, door-to-door service linked with carers (if necessary) and shop-mobility schemes.

Green Transport

There is a Powershift pilot project in Gwynedd. It is designed to build the clean fuels market in rural areas of Wales. The aims are to fund the installation of 2-3 LPG refuelling points with promotional activity and to convert 20-30 vehicles in the area to LPG. This is available for new vehicles and those up to 5 years old.

The cost was estimated at £80,000 for 2001-02. The rationale is to provide economic advantage for rural areas through reduced fuel costs and because access to clean fuels is less likely to be provided by the market in the more remote rural areas.

The project is to be evaluated in 2002-03 to test the value of a more extensive programme aimed at boosting access to LPG refuelling points in rural areas of Wales, including strategic routes.

Timber Traffic

At present in areas of Carmarthenshire and Powys the timber harvest is underway which is causing concern due to the constant use of the public highway by timber lorries. To explore solutions to the problem the Timber Traffic Transport Working Group are studying the use of self-powered freight trains to carry timber from railheads in rural Wales to the mills in North East Wales. It is an important element in promoting sustainable distribution in rural areas. Officials from the Transport Directorate are members of this working group. Companies are eligible to apply for the Freight Facilities Grant which is available to help move freight from road to rail.

Walking & Cycling Strategy

The Assembly Government is preparing to consult on a draft Walking and Cycling Strategy. The primary purpose of the strategy will be to encourage walking and cycling as healthy, sustainable activities that support modal shift. Walking and cycling can replace short journeys by car and form part of longer journeys by public transport.

They help to reduce pollution in rural areas as well as providing direct economic benefits through encouraging sustainable tourism. Improving provision for walking and cycling for business and leisure

is part of the community economic development; fostering local initiatives and developing access to local services.

Road Safety

The Environment Minister announced in January 2001 £2.7m support for 19 schemes covering 84 schools in Wales to tackle congestion caused by the school run, by making it safer for children to walk or cycle to school. This will assist the development and creation of Safe Routes in Blaenau Gwent, Bridgend, Caerphilly, Carmarthen, Ceredigion, Denbighshire, Flintshire, Merthyr Tydfil, Monmouth, Neath Port Talbot, Newport, Pembroke, Powys, Rhondda Cynon Taff, Swansea, Torfaen, Vale of Glamorgan & Wrexham. Also announced was another £2.7m this January to support a further 21 projects across the country. Examples of some of the schemes are as follows:-

Ceredigion

Funding provided in 2001-02 of £52,000 for schemes at Plascrug and Commins Coch. This has provided bike shelters at both Plascrug and Ysgol Gymraeg Schools. Work at Commins Coch will provide safe footway links between Commins Coch Primary School and the village itself and the residential area of Waun Fawr Aberystwyth. In addition, there has been a walking bus established at Plascrug , participation in a Ceredigion Cyclethon as part of the opening of the National Cycle Network, fancy dress day for the

Walk to School Week. Ceredigion have also produced a bilingual video and accompanying literature to encourage children to walk and cycle to school. Funding of £109,000 has been allocated for next year for work in three areas. Additional funding of £48,000 from the Assembly under the Rural Town and Village Trunk Road Initiative towards improving the footway, ensures the scheme will be completed in full.

Powys - Ystradgynlais

Funding provided in 2001-02 of £67,000 to provide enhanced traffic free cycle and footpath network, linking paths to selected schools, homes and other locations in Ystradgynlais, including secure end of trip facilities. Funding of £110,000 has been allocated for next year to take forward the second phase of the scheme which will provide enhanced cycle and footpath links to 6 schools, plus cycle storage facilities.

The Assembly Government also provides direct funding for Road Safety work by local authorities. This supports councils in their work to address road safety issues in relation to the whole community, and includes projects targeted at motorist behaviour and speed as well as design of the highway.

Access

The Environment Minister has undertaken to support a number of local authority schemes which will improve access to and from rural areas, for business, public transport and private car users.

The Transport Grants announced this year include the A499 improvements between Aberdesach and Llanaelhaearn, Gwynedd, which will improve tourist access and safety to the Llyn Peninsula and will improve network links to

economic development areas in particular the growth town of Pwllheli and business development land near Y Ffor. The scheme includes provision of cycling and pedestrian facilities. This is a notoriously difficult access road in the Llyn Peninsular and will be of great importance to local and tourist traffic alike. Subject to completion of statutory procedures the work is expected to start by 2007.

Preparatory work for the A497 Abererch to Llanystumdwy improvement with provision for a combined footway and cycle-way. The aim is to reduce accidents, eliminate pinch points for large vehicles such as buses, and provide a community route which provides a safe and attractive route for pedestrians and cyclists, improving conditions for the use of alternative modes of transport. It will strengthen links to the Llyn Peninsula promoting local industry, commerce and tourism, improving the regeneration potential of communities on the Llyn. In addition it will provide further enhancements to the public transport infrastructure and establish a key section of the proposed Lon Las Llyn cycle network enabling a link to the established with the National Cycle Network at Bryncir. The improvement will add support to sustainable community regeneration encouraging alternative modes of transport for local journeys. Work is expected to start in 2003.

The Moatway scheme in Pembrokeshire. The Welsh Assembly Government is supporting initial design and preparatory work for the proposed road would take traffic out of Pembroke town and provide access to major employment development areas, including the Power Station site. The scheme will greatly enhance Pembroke town and includes provision of cycle and pedestrian routes. The objectives of the scheme will allow the improvement of the environment of the centre of Pembroke by removing through traffic, the improvement of the aspect of the town for visitors, the traffic relief to the narrow Bridgend Terrace, and the removal of heavy vehicles from unsuitable roads. Accessibility for pedestrians in the town centre, in particular Main Street, will be greatly improved. There have been some local concerns about the proposal expressed particularly about pedestrianisation. The Welsh Assembly Government will need to be fully satisfied that all issues have been addressed during development of the scheme with the full involvement of all interest parties, before it will consider the scheme for a start of works.

The Ceredigion Link Road Stage 1 A486/B4336 will provide a series of on line improvements and a bypass for Llandyssul. The proposed schemes will upgrade strategic road links to Ceredigion and the Teifi Valley. These will include significant improvements in highway standards and road communications from Ceredigion to the A48/M4 corridor, thereby facilitating improved accessibility, reduced transport costs for producers, consumers and the labour force, increased reliability for hauliers and bus/coach operators and improved facilities for pedestrians and cyclists. Subject to completion of statutory procedures the work is expected to start in 2005.