

Sustaining our environment

A Review of the work of the
Countryside Council for Wales
in 2002 - 2003



Noddir gan
Lywodraeth
Cynulliad Cymru
Sponsored by
Welsh Assembly
Government



Cyngor Cefn Gwlad Cymru
Countryside Council for Wales



Cyngor Cefn Gwlad Cymru
Countryside Council for Wales

The Countryside Council for Wales is the statutory adviser to government on sustaining natural beauty, wildlife and the opportunity for outdoor enjoyment throughout Wales and its inshore waters. With English Nature and Scottish Natural Heritage, CCW delivers its statutory responsibilities for Great Britain as a whole, and internationally, through the Joint Nature Conservation Committee.

Cover: Blue-rayed limpets in kelp forest, Pen Llŷn a'r Sarnau

ISBN 1 86169 124 6

CCC 214

Printed by: Mid Wales Litho

Printed on environmentally friendly paper

Sustaining our environment

A Review of the work of the
Countryside Council for Wales in 2002 - 2003



Foreword

A report like this can never fully describe or document the work of an organisation with over 500 staff and a very wide-ranging remit. What I believe it does is to provide a narrative which links the many elements which make up our work into a coherent whole. What I also hope it does is to show how relevant this work is to the wider agenda of the society which we serve.

This is why we begin this report with those aspects of our work which directly relate to the building of a sustainable economy. They demonstrate that the environment is not a luxury, to be tacked onto the important business of Government when time and resources allow. It is essential to the operation of business and income generation, especially in the rural heartlands of the country, just as it is essential to the quality of life in Wales.

Much of our work is concerned with the practical delivery of environmental targets which the Welsh Assembly Government has set us. As this report shows, in most cases we have achieved, and sometimes exceeded, these targets. Behind the headline achievements, such as our advice on 4,700 planning applications, lies a vast amount of information gathering and liaison. As a result, we are able to play a constructive part in the encouragement of sustainable development.

I hope you will read this report, and appreciate the hard work and real achievements which it represents. During the year, which has been my first full year as Chief Executive, I have been impressed by the skills and commitment of our staff, and I think this report gives substance to this view. Reflecting back over the year, it perhaps demonstrates something even more important.

Most of what we achieve is only possible by working with others. The environment is much too important to be the province of one, or any number of bodies. It has a central place in all our lives, and more of us than ever recognise this. The results are discernible in this report. The environment has truly taken a significant step towards the heart of policy-making and public life.

Roger Thomas
Chief Executive

Contents

Chapter 1: Supporting sustainable living	1
Chapter 2: Saving wildlife in the countryside	5
Chapter 3: Protecting our most important wildlife and geological sites	9
Chapter 4: Safeguarding the character and geology of the landscape.....	13
Chapter 5: Caring for our rivers, lakes and seas	17
Chapter 6: Enjoying our countryside and coast	21
Chapter 7: Fit for purpose	24
Chapter 8: Communicating our message.....	27
Annex 1: Declarations of interest – Council members.....	32
Annex 2: Statement of account	35

Getting farming onto a truly sustainable path - economically viable, supporting rural communities and the environment – is crucial.



Supporting sustainable living

The agri-environment scheme Tir Gofal, which we run for the Assembly, has brought environmental benefits and new income to farms the length and breadth of Wales. It has also presented us with our stiffest challenge; the organisation and its dedicated staff in Area teams worked flat out to meet the target of signing the 1,500th farm agreement by the end of March 2003.

On 1 October 2002 we signed the 1,000th agreement, and celebrated with a visit to the farm, on the banks of the river Usk, attended by the Minister for Rural Development. As part of this agreement, spring-sown cereals will be kept herbicide- and pesticide-free on this mixed sheep,

beef and arable farm, to encourage native plants and farmland birds like skylarks. Next year, cover crops will be grown and stubbles left to provide nesting and feeding areas for birds.

The scheme has been a huge success, and we have received several thousand applications, which will take time to deal with. At the end of the year we had exceeded our target, having signed new agreements covering nearly 70,000 hectares of land. By far the largest area of wildlife habitat to benefit from protection was upland acid grassland. There were also several thousand hectares of broad-leaved woodland, blanket bog, fen, marsh and



The £5.2 million Adfywio fund has stimulated a wide range of projects and initiatives

swamp covered by agreements, as well as more than a thousand kilometres of hedgerow and 150 kilometres of dry stone walls.

The scheme is an important step in making Welsh agriculture more sustainable. More than any other industry, farming has a direct impact, for good or ill, on the environment. Getting farming onto a truly sustainable path - economically viable, supporting rural communities and the environment – is crucial.

The mid-term review of the Common Agricultural Policy offered an opportunity to address this fundamental issue, and we have advised Government with our partners in England and Scotland to secure the necessary reforms to European agricultural policy which can put our farming industry on a sustainable path. We welcomed proposals to decouple subsidy payments from agricultural production, which have long encouraged quantity over food quality, consumer choice and the environment. We were concerned that reform would not direct sufficient funds towards rural development to secure the economic and social well-being of rural Wales.

The impact of the restrictions imposed during the foot and mouth disease crisis on the whole of the rural economy revealed how important the environment and linked industries like tourism were to a sustainable countryside. Our own research has confirmed this link. We were therefore very pleased to be asked to help administer a major new grant scheme, Adfywio, to help stimulate the rural economy.

The £5.2 million fund, spread over two years, has stimulated a wide range of projects and initiatives undertaken by rural



Savage garden

businesses. As well as promoting social sustainability, for example through community renewable energy or information technology schemes, they have won recognition for their innovative approaches. For example, the Savage Garden project, a local partnership in an area badly hit by foot and mouth disease around Rhayader, received a grant to take their copper sculpture to the BBC Gardener's World Live exhibition, where they won a silver medal.

We continued to offer our partners free specialist advice under our Transport Advisory Service. Examples include rail access to the Brecon Beacons National Park; walking and cycling routes around Caernarfon; feasibility studies into the Ely Valley Trail and a cycling and walking route from Penrhyndeudraeth to Llyn Mair; and the potential for a network of quiet lanes around St David's in Pembrokeshire.

In order to get a better understanding of the importance of the green economy to Wales, we commissioned research to assess the contribution of the environment to the four economic regions of Wales. This estimated that the number of jobs directly created

through the management, use and enjoyment of the environment is 40,700 in south-east Wales; 28,400 in south-west Wales; 18,100 in mid Wales; and 30,400 in north Wales. When knock-on jobs are included, the overall total rises to not far short of 200,000 jobs.

We also commissioned research to estimate the economic benefits to Wales of the European Commission's 6th Environment Action Programme. This is a 10 year programme of environmental work across the European Union as a whole. This research showed that this programme of environmental improvement has the potential to create 12,600 new jobs in Wales by 2010.

We also commissioned work to develop an "Index of Sustainable Economic Welfare" (ISEW) for Wales. This is an overall measure of the way that quality of life is changing. It is broader than conventional measures of economic progress (such as GDP) and includes, for example, the costs of environmental damage and pollution. The trend between 1990-2000 showed the gap between GDP and ISEW increasing, indicating that whilst Wales is getting richer, its overall quality of life is becoming poorer.

Our Innovative Sustainable Development Fund has been established to assist initiatives which promote sustainable development and which integrate biodiversity, landscape and countryside access issues within wider social and economic programmes, or which demonstrate 'best practice' by testing innovative solutions. Among the projects which we supported were several which promoted

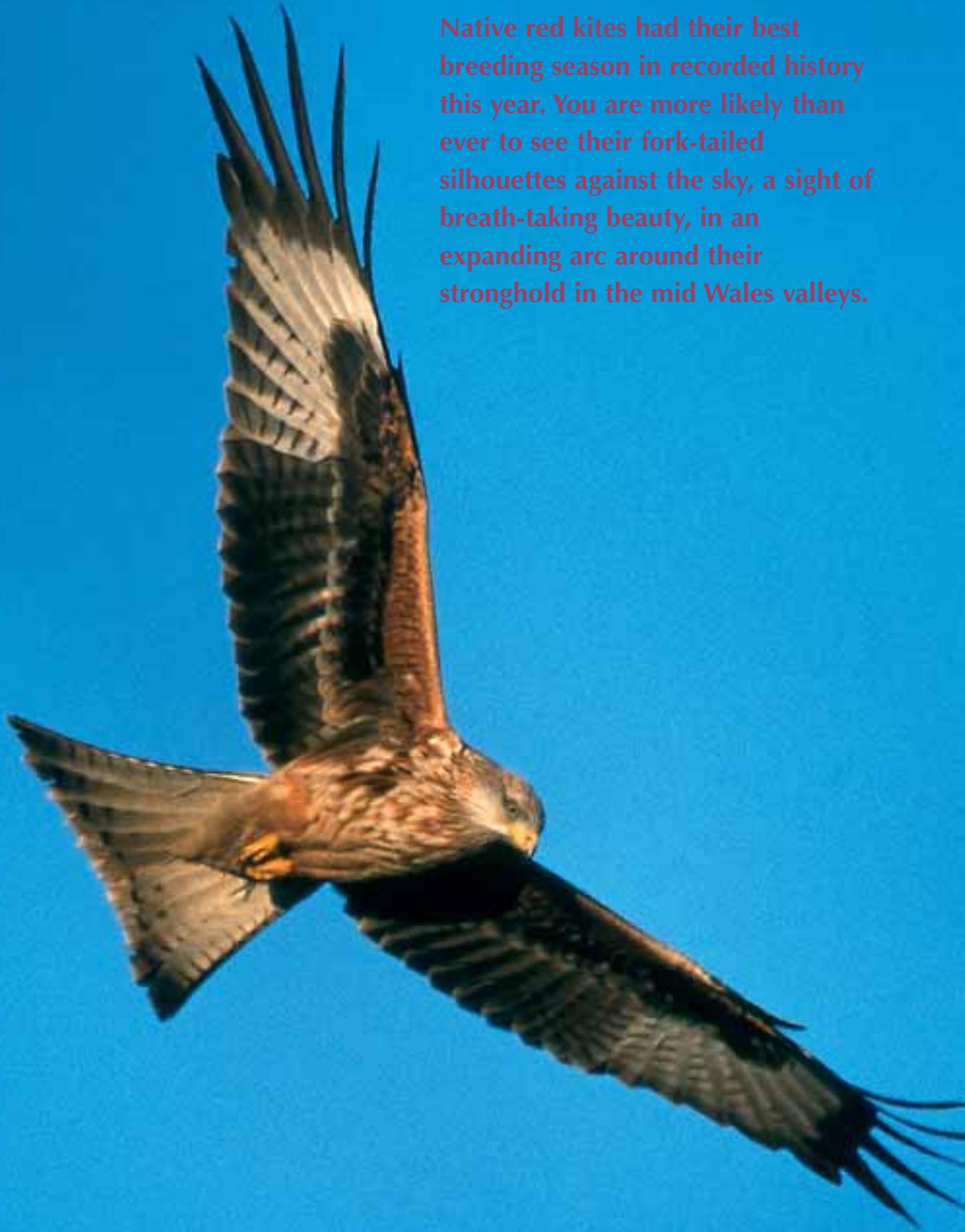
Giving practical expression to the somewhat difficult concept of sustainable development has been an important plank of our work this year

energy efficiency and renewable energy; ones which supported sustainable transport to the countryside; and ones which took forward the ideas and momentum which came from the World Summit on Sustainable Development in Johannesburg, such as the 'ecological footprint' approach to resource use.

Giving practical expression to the somewhat difficult concept of sustainable development has been an important plank of our work this year. The encouragement of quality information about the environment and how to enjoy it, the provision of better facilities for visitors, the use of public transport, and the celebration of our heritage are all outcomes which should lead to more sustainable rural communities. They should also bring much enjoyment and other benefits to people along the way.



Native red kites had their best breeding season in recorded history this year. You are more likely than ever to see their fork-tailed silhouettes against the sky, a sight of breath-taking beauty, in an expanding arc around their stronghold in the mid Wales valleys.



Saving wildlife in the countryside

Native red kites had their best breeding season in recorded history this year. You are more likely than ever to see their fork-tailed silhouettes against the sky, a sight of breathtaking beauty, in an expanding arc around their stronghold in the mid Wales valleys.

The variety and abundance of Wales' wildlife draws visitors from afar, and adds real quality to our lives as residents of a land particularly blessed in its natural heritage. It is a resource for all to enjoy, available everywhere.

Much of our bread and butter work is concerned with wildlife and habitats away from specially protected places. One way that we do this is by working with the local planning system, to ensure that developments take account of important wildlife features. The Assembly set us a target of commenting on 4,000 planning applications, and, through this partnership approach with planning authorities and developers, we were able to support over 99% of the 4,700 applications upon which our views were actually sought.

As well as providing ecological and other advice to Local Authorities, we worked with them on many conservation projects. An example is our work on a subspecies of the belted beauty moth which is unique to Britain, and is currently confined to just 3 sites in England and Wales. At its only Welsh location, the population is small and

threatened by habitat change and proposed developments. As a consequence, we have embarked on a 3-year translocation programme releasing about 1,000 captive-reared larvae in May 2002 onto a Local Nature Reserve (LNR) sympathetically managed by Conwy County Borough Council. Further releases will take place in 2003 and 2004 in the hope that the moth will establish a self-sustaining population on the LNR.

We worked closely with the Welsh Development Agency (WDA) to ensure that a new development at a business park at St Asaph did not harm a population of great crested newts. These miniature water dragons, with their bright colours and prominent crests, are endangered in Europe



Cleaving moth CCW © M.Hammitt

and have legal protection. With WDA support, we were able to create a suitable area of new habitat, including ponds and hibernation sites, in eight hectares of undeveloped land, protected by special newt-proof fencing. In the autumn the newts were moved to their new home.

We hope that some of the innovative features of this relocation will be taken up by others. To help such projects on their way, we announced a budget of £100,000 for work to save endangered species. This 'species challenge fund' enabled us to more than meet our target of action plans for 15 endangered species including wild juniper, marsh fritillary butterfly and spotted flycatcher.

These plans improve our understanding of, and tackle difficult conservation problems related to, some of our most threatened species. For example we have supported the participation of volunteers in surveys of

The Local Biodiversity Action Plan process depends on local people taking action to safeguard local wildlife

butterflies and moths such as the silver-studded blue butterfly and the Welsh clearwing moth, organised by Butterfly Conservation. Another project which we have supported was the National Trust's work to rejuvenate existing habitat, create new opportunities and safeguard existing populations of the strange and remarkable water fern known as pillwort. Amphibious or growing on the edges of temporary ponds, its simple, grassy leaves look like a seedling sedge or rush except for the characteristic unfurling 'watchespring' fronds which tell us of its true origin.

In Pembrokeshire, where pillwort grows in heathland pools, habitat was previously maintained by horse and cattle grazing, the excavation of clay and the small-scale disturbance which accompanied traditional farming. With the decline in horse-drawn transport, cob-walls and traditional use of clay mixed with coal dust to damp down fires at night, pillwort lost much of its habitat. This project aims to reverse this decline with the reinstatement of pools, which belong to an historic landscape.

To these examples must be added the many plans developed through the Local Biodiversity Action Plan process. This depends on local people taking action to safeguard local wildlife, fulfilling the conservation maxim 'think globally, act locally'.

We provided advice and cash to help with the production of Local Action Plans for all 24 local authority partnerships. These plans, which bring together a broad partnership of interested individuals and organisations, are at an advanced stage; seventeen have been published and draft versions exist of the remaining seven. Emphasis has therefore moved onto



BBC TV presenter Howie Watkins and children during Biodiversity Wales Week 2002 © Howie Watkins

implementation. The Plans have stimulated new projects to conserve special plants and animals and their habitats, which complement work already underway. They spread the message that biodiversity is relevant to all, in urban areas as much as in the countryside and coast; that its loss will affect all areas of life and that everyone can help to look after this vital resource.

Finding out the extent and nature of this resource has continued to be a priority for us. This year we almost completed a long-running survey of lowland grasslands which began in 1987. It has now covered well over 1000 important locations across all parts of Wales, most of them very small. Dry neutral, acid and calcareous grasslands are included in the survey, along with marshy grasslands and associated flushes. The last few sites were due to be completed during the summer of 2003 in Pembrokeshire.

The project has highlighted the rarity of lowland grassland communities that are dependent on traditional low-input farming systems. Unimproved neutral and calcareous grassland, species-rich acid grasslands and lime-enriched fen-meadows



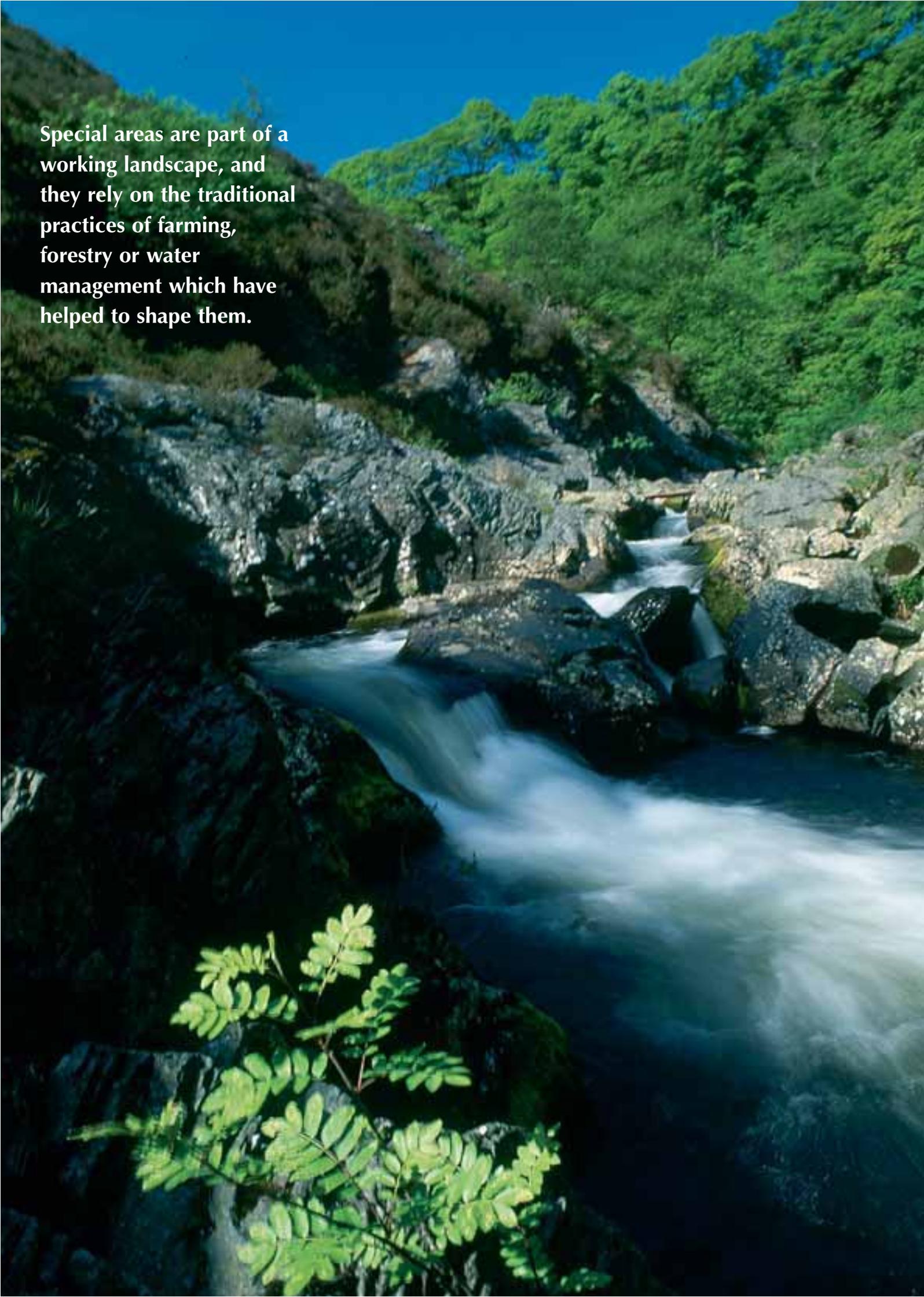
Biodiversity Wales Week 2002 © Howie Watkins

are among the rarest grassland habitats in Wales. Information on the extent and floristic composition of these lowland grasslands is of immense value for strategic policy initiatives such as the UK Biodiversity Action Plan and in guiding local action plans. Survey findings are also widely used in selecting special sites which merit designation, in informing management plans and monitoring. These sites, which represent a second major pillar of our work to save wildlife, are the subject of the next chapter.



Traditional meadow, Powys - Ray Woods

Special areas are part of a working landscape, and they rely on the traditional practices of farming, forestry or water management which have helped to shape them.



Protecting our most important wildlife and geological sites

The plethora of designations that protect areas which are special for their wildlife or geology can be confusing – Sites of Special Scientific Interest (SSSI), Special Areas of Conservation (SAC), Special Protection Areas (SPA), and National Nature Reserves (NNR). They can give the impression that wildlife protection is a complex legalistic process, essentially negative and defensive.

In fact this is a long way from the truth. Special areas are part of a working landscape, and they rely on the traditional practices of farming, forestry or water management which have helped to shape them. Conservation involves positive action. The success of designations depends as much on their ability to ensure that beneficial practices continue, as on the prevention of harmful ones. Designating a site can open up new opportunities for active management.

Many of the key targets which the Assembly set us during the year relate to designated areas, as the chart on page 30-31 shows. These are helping Wales to play its part on the European and world conservation stage, for example by defining SACs under the EU's Habitats Directive, and notifying their underpinning SSSIs, which give SACs their legal protection. All these targets were fully met or exceeded.

Some of our targets took this one step further. One target required us to prepare site management statements for 200 SSSIs, to help steer the practical management of these sites on the ground. Even more important for practical management purposes are management agreements with SSSI owners and occupiers. A target of 165 of these was set, but because we tackled smaller, more costly lowland sites this year, the allocated budget was spent after we had achieved just over three-quarters of this target.

Achieving our statutory protection targets involves a great deal of hard work, but there is satisfaction in the involvement it brings with these special sites. For example, the wonderful rolling sand dunes which dominate the coast between Porthcawl and Ogmere form a unique landscape; often referred to as the highest dunes in Wales, their blown sand has actually been carried far inland over an ancient limestone cliff so the great height of the sand dunes at Merthyr Mawr Warren is more apparent than real.

The glorious profusion of wildflowers of over four hundred species, which make the dune grassland a candidate SAC, are only one aspect of this extraordinarily rich place. Lime-rich springs, which form ephemeral streams in summer and fill deep

pools in winter, are home to rare plants. There are more kinds of beetles, solitary bees, sand wasps and flies here than anywhere else in south Wales. The dunes also have an exceptional range of fungi.

We have been working closely with the owners to safeguard this biodiversity. For several years we have been clearing sea buckthorn, an invasive shrub which has been taking over sections of the dunes. Half the area dominated by this dense shrub has now been restored to grassland. The culmination of this close partnership was the declaration of over 300 hectares known as Merthyr Mawr Warren as a National Nature Reserve (NNR) on 3 July 2002, at a ceremony addressed by Carwyn Jones AM.

As with other NNRs, the area has other interests – much of it is scheduled as an Ancient Monument, yielding finds as diverse as Mesolithic flints, Neolithic pottery, bronze age burial mounds, iron age

hearths and Roman tiles and beads. All these interests, as well as public enjoyment of the site, are catered for by us.

An important part of our wardens' duties is to show visitors the delights and special qualities of the country's most important wildlife sites – the NNRs. This extends to other sites, such as the Gwent Levels Wetland Reserve, where a wetland walk was organised in February to mark World Wetlands Day.

In a break from the more traditional ways of explaining the importance of reserves to visitors, we have begun to celebrate the special qualities of these places through different forms of art, such as poetry and sculpture. A reserve which is particularly popular with the public is Ynyslas NNR, where we have put on display a book created by schoolchildren, in collaboration with some of Wales' most prominent poets and artists.



The 'Big Book', Sense of Arrival project at Ynyslas



Part of the Dan yr Ogof cave system © Tom Waltham

The interests of children are at the heart of our support for the celebrated caves, Dan yr Ogof. They faced the possibility of closure, which would have been a blow to the chances of children seeing their geological marvels. They form part of an SSSI and are internationally acclaimed. During the year we provided assistance so that they could continue to light up the imaginations of visiting schoolchildren.

Geology provides an understanding of the history of the environment and of our own history before written records began. For example, what was the climate like in north-east Wales, and what animals lived there between 15,000 and 250,000 years ago?

A group of caves near Denbigh, which we notified as SSSI in July, answer some of these questions. One of the caves is internationally famous for containing the oldest human remains in Wales – a 200,000 year-old tooth! Although the climate was similar to ours 125,000 years

ago, we know from remains in these caves that hippopotamus, rhinoceros, bison and straight-tusked elephant roamed the countryside at that time. This new SSSI, Coedydd ac Ogofau Elwy a Meirchion, and a wealth of superb geological SSSIs throughout Wales, provide an opportunity to cherish and celebrate this fascinating and sometimes forgotten part of our natural heritage.

Rocks, as well as
unlocking the secrets of
the past, are a distinctive
part of the present.



Safeguarding the character and geology of the landscape

Rocks, as well as unlocking the secrets of the past, are a distinctive part of the present. They provide the structure of the landscape. Rocks are very much in evidence in Wales' most spectacular pieces of scenery, in the rocky islands and cliffs of our rugged coastline, in the uplands, in outcrops, at leaps and high waterfalls. They also influence soils and drainage, and thus the uses to which land is put. Stones are also all around us in our buildings. Farms, castles and chapels rise out of the landscape in a fusion of cultural and natural history.

Early in the year we organised a conference which put the spotlight on stone and its place in our lives. This recognised that buildings are as much a part of the Welsh landscape as woods, fields and cliffs, and the crafts and skills of the masons who built

them form part of a great craft tradition. Stone as a building material varies in character, and there is much to learn from its source, suitability and even the economics which led to its use. We were pleased to join with others in uncovering the part that stone plays in our lives and the landscape.

We continued our longstanding partnership with Regionally Important Geological Sites (RIGS) groups, promoting the identification and registration of these sites with local planning authorities. We also part-sponsored and hosted the annual UKRIGS Geoconservation Association Conference held at the Loreto Conference Centre in Llandudno during October. The event was used to launch the joint CCW/NMGW booklet 'Mineral Treasures of Wales' at the Great Orme Bronze Age Mines; and to



Extract from *Minerals of Wales*



launch a mineralogical trail for Coed-y-Brenin. Research projects included joint work to develop a new methodology for assessing flood risk zones in Welsh valleys and work on the sustainable use of soils, specifically the effects of agri-environment measures on soil quality and function.

During the year we have continued to develop and roll out the landscape management information system, known as LANDMAP Wales, which is designed to help decision-making and ensure that developments fit sensitively into the landscape. All twenty-two unitary authorities and three National Parks now use this unique public service information system, meeting a major target. The collection of landscape information, for example in Pembrokeshire, has provided further evidence of a lively public interest

in the cultural, historic and visual aspects of Welsh landscape.

Wales is renowned for the quality of its landscapes, which is reflected in its three National Parks and its Areas of Outstanding Natural Beauty (AONB). Their attractiveness can bring social and economic benefits, but this depends on the encouragement of imaginative, environmentally benign schemes, for example to tackle transport.

The Assembly has made funding available for such projects, which we have distributed on its behalf. The Environment Development Fund (now Sustainable Development Fund) has been used to support many small projects in AONB and National Parks throughout Wales. Examples from the Wye Valley AONB include a school sensory sculpture trail, with wooden sculptures,

wind chimes and herb gardens; and a village hall where local people wanted the opportunity to exhibit local historic photographic material and archive it. The Fund has brought rapid support to many projects which involve local people and work with the grain of the environment and has been welcomed widely as a success.

At the request of the Assembly we commissioned a report into the operation of the Fund. The report recommends changes to build on this success, such as sharing information about what works more widely. In steering this evaluation of the scheme to completion, we met another of the targets which the Assembly set us.

Another of our targets related to AONB. This required us to help the development of management plans for these special

landscapes. We have met our target, working with all the Local Authorities responsible for these Areas. For example we have given financial support to Anglesey County Council to take forward their AONB management plan. This includes holding workshops and community open days to assist management plan production and identify community projects. The grant has helped to raise the profile and awareness of the AONB by supporting the production and distribution of posters and leaflets via libraries, guest houses, pubs and local shops. CCW grant money has also contributed to the cost of AONB way-marker signage and information and interpretation panels.

landscapes. We have met our target, working with all the Local Authorities responsible for these Areas. For example we have given financial support to Anglesey County Council to take forward their AONB management plan. This includes holding workshops and community open days to assist management plan production and identify community projects. The grant has helped to raise the profile and awareness of the AONB by supporting the production and distribution of posters and leaflets via libraries, guest houses, pubs and local shops. CCW grant money has also contributed to the cost of AONB way-marker signage and information and interpretation panels.



Clwydian Range AONB - Howard Davies

Our marine specialists advised on a wide range of marine casework during the year, and this is an increasing proportion of our work.



Caring for our rivers, lakes and seas

The environment is often the subject of bad news stories, so the recovery of otters in our rivers is cause for celebration. At the top of the food chain, the otter is a potent symbol for the health of our rivers. Its presence signals good water quality and fish stocks, and its return to former haunts is confirmation that the efforts of all those working to improve the water environment have not been in vain.

Under the Tir Gofal scheme we have worked with farmers to improve the health and suitability of rivers for wildlife. Otters have benefited from the installation of artificial otter holts on river banks. The notification of rivers as Sites of Special Scientific Interest has provided another means of safeguarding their aquatic life. Working with others, we have carried out habitat restoration projects on the river Wye and restored fish populations in rivers and lakes in Gwynedd.

There are good news stories in the marine environment as well. Populations of seals and some seabirds are stable or rising. Water quality in our estuaries and around our coasts has improved. On the other hand, many marine fish, such as sharks and rays, are declining, as are native oysters and seagrasses, that offer shelter and habitats to marine life. There is much that needs to be done to understand and get to grips with this patchy picture, but we are making progress, for example through surveys of common scoter ducks.

We have been leading on aerial surveys of these sea ducks in Welsh inshore waters for the past six years. Work started in Carmarthen Bay in response to the Sea Empress oil spill. Data from those surveys have demonstrated that the site supports the UK's largest known concentration of non-breeding common scoter, and have underpinned designation of the site as the UK's first marine SPA.

During the year, survey coverage was expanded to include Liverpool Bay and north Cardigan Bay. Surveys in Liverpool Bay have been funded in partnership with English Nature and a number of commercial companies, particularly from the offshore wind industry. These data are helping to identify additional marine SPAs; north Cardigan Bay has been found to support internationally important numbers

At the top of the food chain, the otter is a potent symbol for the health of our rivers.



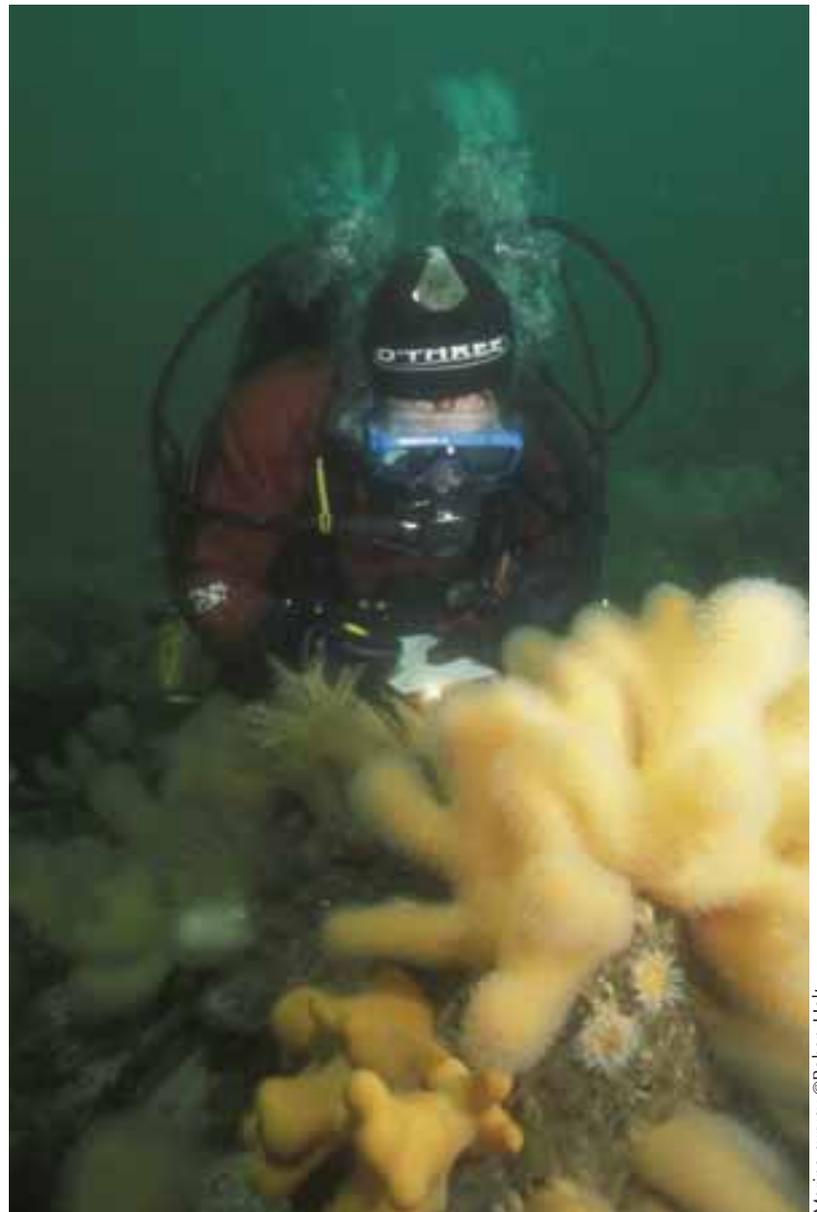
of red-throated diver, while Liverpool Bay not only has red-throated divers, but also the UK's second largest concentration of wintering common scoter. The data are also being used to ensure that any developments such as off-shore wind farms are sited appropriately, avoiding significant impact on the bird interest in the Bay, as well as providing monitoring of potential impacts of offshore wind developments that have now been licensed.

Two declining species have been the subject of recent work. The oysters you order in a restaurant in Wales are almost certain not to be native ones. Once the Welsh oyster industry employed hundreds of people and fed thousands more, but over-fishing, pollution and poor reproduction has put paid to that. Our divers have been surveying the last remaining oyster beds, which are in Swansea Bay and around the Pembrokeshire coast. Oysters have been found where the seabed is subject to strong tidal movement and the bottom is muddy or gravelly. In these places they are often accompanied by mud-burrowing anemones and worms, sponges and sea squirts. This survey will enable us to gauge the age of the population and how successful these oysters are at reproducing.

The common skate is another species in serious decline. A relative of the shark, it was once regularly caught by fishermen, an event not easily forgotten, as males can reach 2.8 metres in length and weigh over 100 kilos. We have supported with a grant the efforts of the Shark Trust to bring about the recovery of this scarce and declining fish. This project promoted careful handling and live release of common skate caught by both sea anglers and commercial fishermen and developed long-term tagging

programmes for the species. Its vulnerability and threatened status will be publicised in an attempt to minimise mortalities.

We also gave a grant to the Marine Conservation Society to improve our knowledge of two scarce marine animals, the pink sea fan and the sea fan anemone. Volunteer divers searched for them in the waters off Anglesey and around St David's Peninsula in Pembrokeshire. They paid particular attention to the northerly limits of distribution of the two species, the population size and the human threats to them.



Marine survey ©Rohan Holt



Our intertidal survey during the summer concentrated on the two largest estuaries in Wales – the Dee and the Severn. We surveyed more than 6,000 ha in the Dee and nearly 10,000 ha in the Severn. Our biotope maps have now been digitised and are available on GIS. This means that we have now surveyed three quarters of the Welsh coast, providing essential information for casework and for setting conservation objectives for these estuaries.

Our marine specialists advised on a wide range of marine casework during the year, and this is an increasing proportion of our work. It has included applications for aggregate extraction, capital and maintenance dredging, oil and gas production, marinas and coastal defences. Applications for the first three offshore windfarms in Wales were received and two on the north coast have obtained consent. We have worked with the developers to help plan their environmental impact assessments and monitoring so that the impacts of these new types of developments can be fully evaluated. We

have contributed to the Crown Estate's Steering Group to commission research into offshore windfarms and have funded our own research into the impacts of electromagnetic fields from offshore windfarm cables on elasmobranchs (sharks, skates and rays).

We have continued our programme of research to support the advice we give. The cumulative impacts of developments affecting our seas are an increasing concern and developers lack guidance on how to carry out cumulative impact assessments. Therefore, we commissioned research to develop a method of assessment, using Liverpool Bay as a case study, and held a workshop to canvas the views of regulators and developers. We have also produced guidance on the visual and landscape issues associated with coastal defences, with the aim of placing landscape issues alongside engineering in the design of these structures.

Making the countryside more welcoming and accessible has benefits not only for rural economies but also for the health and well-being of the population.



Enjoying our countryside and coast

Making the countryside more welcoming and accessible has benefits not only for rural economies but also for the health and well-being of the population. During the year we more than met our target for funding projects which promote health and walking. With generous support of nearly £670,000 from the New Opportunities Fund, and in partnership with the British Heart Foundation, we supported ten schemes under the Walking the Way to Health banner. We were able to support 60 projects to improve access for recreation and community purposes under Adfywio (see Chapter 1), to the value of £1.7 million, meeting another target.

Meeting the timetable for issuing draft and provisional maps showing access to open country and common land under the Countryside and Rights of Way (CRoW) Act 2000 has been a particular challenge. We were slightly ahead of schedule for draft maps, but about eight weeks behind for provisional maps. We could not have achieved even this without the use of the latest mapping technology.

When we began the mapping process, it became clear that the task of identifying and mapping all those areas to which open access might be granted under the CRoW Act would have required a vast amount of field work. Having discovered how difficult this was, we invested in the latest digital air photography, and were able to check boundaries and produce maps in a fraction of the time and with greater accuracy.

Appeals against land being included on the provisional maps have been fewer than expected, bringing a further welcome saving. As an organisation that takes its 'green' values very seriously (see chapter 7), it is important that we use technology as an ally in our efforts to reduce our impact on the environment from excessive travel.

A hectic three-month consultation phase between the publication of draft and provisional maps gave us a chance to meet many rural landowners and others at public consultation events which we held in village halls and community centres across the country. Draft maps were prepared for a number of consultation areas, and were taken on the road to provide an opportunity for those who might be affected, and had concerns, to make formal

During the year we more than met our target for funding projects which promote health and walking



A milestone in the provision of opportunities for long distance walking was reached with the opening of Wales' third National Trail

representations. Through a barrage of press releases, a series of press advertisements, and posters and flyers which we distributed through each consultation area, we persuaded many thousands of people to attend these events, see the maps for themselves and question our access staff.

This has proved very valuable for us, and we have reviewed most of the representations made, if necessary by making site visits to check the accuracy of the mapping, and prepared provisional maps. We also intend to act on the informal feedback which we have received, and advise the Assembly where necessary. In particular, landowners have impressed on us the need for signs, stiles, extra wardens and public education to ensure that the introduction of the new access opportunities runs smoothly on the ground. In turn, we are confident that we have managed to allay many unnecessary fears.

At the end of the year we organised a conference in Builth Wells to bring together representatives from all 29 Local Access Forums. This very successful event enabled people involved in access issues to share their experiences and to find out more about the open access provisions of the CRoW Act. Another target achieved was the monitoring of the state of 500 kilometres of additional Public Rights of Way on Tir Gofal farms, to see that they were well maintained and unobstructed.

A milestone in the provision of opportunities for long distance walking was reached with the opening of Wales' third National Trail. Environment Minister Sue Essex and well known broadcaster Iolo Williams opened Glyndŵr's Way at a ceremony at the Owain Glyndŵr Centre in Machynlleth. The new trail is 128 miles long, and passes through some of the finest scenery in mid Wales.



Iola Williams and Environment Minister Sue Essex at the opening of Glyndŵr's Way National Trail



Left: Catrin Beard launches the Sense of Arrival project at Ynyslas
Top: New lookout tower at Ynyslas

Over the years our wardens have worked hard to facilitate access to National Nature Reserves for those with disabilities. Examples of high standards of access include the boardwalk at Cors Caron NNR and the wheelchair access at Coedydd Aber NNR. The requirements of the Disability Discrimination Act give further encouragement to this work. This year we have reviewed how accessible the twelve most visited NNRs are to people with disabilities. We have also surveyed and considered the access issues at other sites which we manage on our own or jointly with other bodies, such as the National Trust. The research we have commissioned, and the subsequent access audits and reports, met another of the targets which we were set.

Our programme to upgrade the interpretation and education facilities at our NNRs has moved up a gear this year

The necessary work to improve access for people with disabilities on our reserves has been identified within individual site reports, and we will be carrying out a programme of improvements.

Our programme to upgrade the interpretation and education facilities at our NNRs has moved up a gear this year. Major projects have been completed at four reserves: at our very popular reserve centre at Ynyslas, near Aberystwyth; at Cors Caron, in mid Wales; at Coedydd Aber, near the north coast; and at Newborough Warren, on Anglesey. We did not complete the upgrading planned at the fifth of our targeted reserves, at Oxwich, because of the conflicting views of local interests, but discussions are continuing here to resolve the differences.

Fit for purpose

We have responded to the Assembly's challenge that we should prepare our own sustainable development plan, and this has meant not only scrutinising our grant aid and other policies, but also examining the way we operate as an organisation. We have set ourselves the challenge of becoming the exemplar Assembly Sponsored Public Body in terms of environmental management by 2005. We have committed ourselves to achieving the highest level of the Green Dragon environmental standard, and in January we appointed a new member of staff to set up the necessary auditing of our activities and to develop 'green' initiatives.

This 'greening' of the organisation will contribute to our efficiency and reduce administrative costs, while reflecting our general philosophy of striving for greater sustainability in all that we do, enabling us

to lead by example. It is already influencing our waste management, with recycling now a part of everyday office life; what goods and services we buy; the buildings we lease and how we run them, including energy consumption and the purchase of 'green' electricity and gas; and transport, including the number of journeys our staff make and how they travel.

During the year we purchased from local garages two makes of 'green' vehicle to test. One was a futuristic looking two seater, and both were light and highly fuel efficient, using combined petrol and electric engines, with very low emissions. They have given staff the chance to assess the benefits of converting conventional vehicles to greener alternatives. The knowledge we are gaining will enable us to advise other organisations on innovations

During the year we purchased from local garages two makes of 'green' vehicle.



'Green' vehicle at our Aberystwyth Office - Daniel Thomas

which, as well as saving them time and money, will benefit the environment.

Two other important tasks have influenced the shape of the organisation this year. The first has been a move to a more integrated and transparent way of determining the organisation's priorities and work programmes, within a clear strategic and planning structure. Seminars and working groups have ensured that our staff know where their work fits into the bigger picture of our vision and strategic aims.

The second major plank in this drive for an efficient organisation has been the implementation of best management practice, to achieve Investors in People (IiP) status. This has influenced all our personnel policies, and put an increased emphasis on good internal communications.

We believe that we have succeeded in becoming an 'employer of choice', and at the same time managing our most important resource more efficiently and effectively, especially in the way that we recruit and retain our staff. We have achieved this by introducing new working practices such as the Work/Life Balance initiative, revising our recruitment process and monitoring our sickness absence rate.

We have continued to encourage our staff to develop their written and spoken Welsh language skills. Thirty staff spent a week getting to grips with Welsh at the Welsh language centre at Nant Gwrtheyrn. More than a hundred staff took part in Welsh language studies and, through a mentoring scheme, learners were encouraged by fluent speakers to use their new skills.

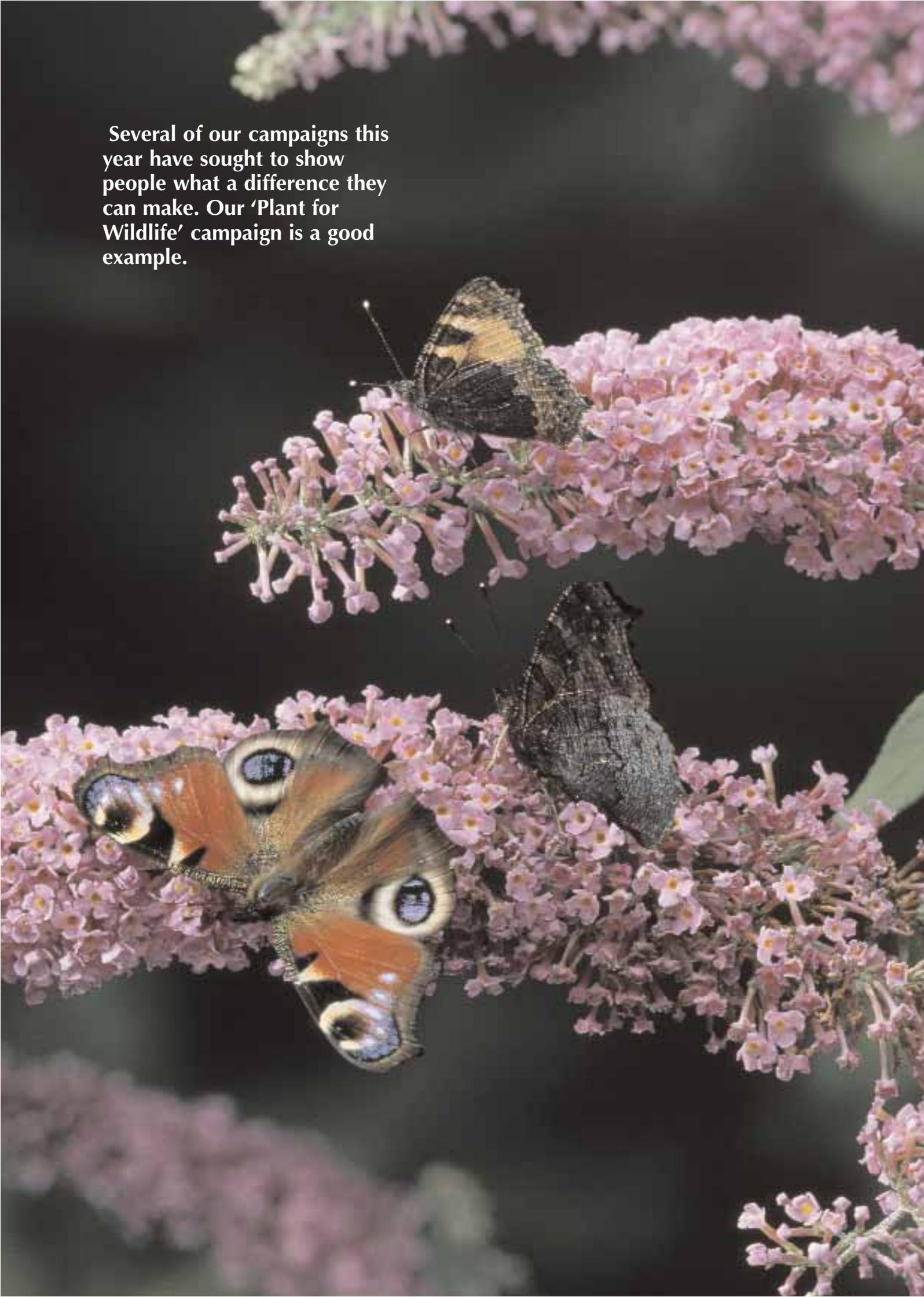
Improving our effectiveness as an organisation is about recognising our

responsibilities, whether these are to our staff, to the wider community or to the environment. As a large employer with a substantial budget, we also have a responsibility to disadvantaged communities. Corporate Social Responsibility (CSR) has a prominent place in UK and Welsh Assembly Government policy, and we have played a full part in this.

We already contribute to this agenda, particularly through our programmes for sustainable living, external partnerships and urban nature conservation. In March we launched guidelines to help organisations run environmental projects involving disadvantaged groups, such as the elderly, ethnic communities, those on low incomes and the disabled.

By promoting Green Flag Parks Awards, we hope that parks in towns and cities, which are sometimes the only 'countryside' to which disadvantaged citizens have ready access, will be improved, to make them more wildlife rich and provide better recreational opportunities. Our effectiveness and role as an organisation embraces the contribution we can make to this broader policy area of social justice.

Several of our campaigns this year have sought to show people what a difference they can make. Our 'Plant for Wildlife' campaign is a good example.



Communicating our message

Showing that greener vehicles are a form of transport which makes sense is a good way of practising what we preach, and spreading the message about living within natural resource limits. Several of our campaigns this year have sought to show people what a difference they can make.

Our *Plant for Wildlife* campaign is a good example. Much of the pleasure of gardening derives from contact with the natural world, with bumblebees buzzing from flower to flower in the innermost parts of our cities. As part of this popular and well-publicised campaign, we published a colourful booklet recommending wildlife-attracting plants to gardeners. Supported by the Horticultural Trade Association and distributed through garden centres, this shows how everyone can attract birds and butterflies while keeping their gardens beautiful.

The more wildlife matters to people, the more support there is for law enforcement to stop the use of illegal poisons, wildlife trade and other offences against wildlife. We organised the second major wildlife crime conference, which proved a great opportunity to exchange experiences and further sharpen the enforcement action being taken by the police on our behalf to prevent wildlife crime. We now have two police officers seconded to us, one each from North and South Wales Police.

The protection of special areas of land which are given designations depends on an underpinning of sympathy and understanding amongst landowners, occupiers and the local community. Early in the year we organised a green week on the Afon Teifi, a beautiful river which rises in the Cambrian mountains and twists and turns through wonderfully varied scenery before discharging into its estuary near Cardigan. This is a candidate SAC. To raise awareness of the importance of the Afon Teifi, we produced a logo which we hope will reinforce the sense of pride that local people already have in their river.



Afon Teifi - Mike Alexander

Above all, we strive to provide information so that everyone can appreciate and enjoy our shared and precious natural heritage

Our staff continue to be in demand from the media. Duncan Brown, one of our wardens who is a regular broadcaster on radio and television, became one of the presenters of the new children's nature programme for *Planed Plant* on S4C. He has researched, scripted and presented scenes, sometimes playing characters in fancy dress, to show children not only what is fascinating and fun about the natural world, but also what they can see, hear, smell and do to get to know about the wildlife on their doorstep.

One of our Area Officers, Ray Woods, got through to the final of BBC Radio 4's natural history quiz programme, 'Wildbrain'. He was joined by two other contestants both of whom had been appointed to their first conservation jobs by Ray.

A beautifully illustrated account of Snowdonia's vegetation, 'The Plant life of Snowdonia', won the President's Award from the Botanical Society of the British Isles and the Wildflower Society for its outstanding contribution to the understanding of flowering plants and ferns. Our coastal ecologist, Peter Rhind, was its main editor, but it was co-edited by former staff member and photographer David Evans, and contained contributions from a number of our ecologists.

There was an enormous response from the media to the publication of the "*New Atlas of the British Flora*". This huge undertaking, which records more than two thousand flowering plants in Wales, and contains over 2,400 plant distribution maps, was co-ordinated from Wales, and our staff were among the many contributors who made it possible.

We co-ordinated the production of two issues of *Earth Heritage* magazine for our sister agencies and JNCC. The magazine disseminates information on Earth heritage conservation to a broad audience including schools, libraries, planners and members of the public.

This has been the first full year in the life of a new environmental magazine, *Natur Cymru*, which we have helped to deliver with a partnership of other environmental organisations. A host of articles about wildlife and linked environmental issues have shown how great the enthusiasm for wildlife is in Wales. Many exciting and innovative projects are being carried out, and there is much to celebrate about our wildlife and those working on its behalf, as well as to do. It is a subscription magazine, and its three editions this year have been so well received that it will become a quarterly next year.

Many people use the internet as their main source of information, so we have continued to develop our website. This now carries rolling news to highlight topical issues, so people can find out what's happening at the touch of a button. As well as news stories, this new feature contains details of conferences and projects, and a series of seasonal stories reflecting different aspects of the natural environment. They have covered subjects like the call of the raven in rugged mountain country, the magic of exploring the mountains and the arrival of spring in woodlands.

Above all, we strive to provide information so that everyone can appreciate and enjoy our shared and precious natural heritage. We have developed a scheme to give every school child in Wales a free visit to experience the delights of a National

Nature Reserve. We have also organised visits to sites for Assembly Members, and have continued to produce high quality publications, such as a *Nature's hanging gardens*, a booklet on the plants of Cwm Idwal National Nature Reserve. We also produced an introductory booklet on LANDMAP in Welsh and English as well as four European languages, Italian, Spanish, French and German.

This has been the first full year of our new Enquiry Service, which handled 3,510 enquiries during the year. The most popular requests were for our publications, as well as for information about the Tir Gofal agri-environment scheme and open access issues. Our bilingual service received 73% of enquires in English and 27% in Welsh.

As well as the programmed part of our communications work, such as attending national and local shows, exhibitions and conferences, a background of more informal discussions has also helped to spread our message. Our Council members have been great ambassadors for the organisation's work, and our skilled and committed staff have met numerous members of the public, with whom they have shared their knowledge of, and enthusiasm for, the natural environment.



Broadcaster and CCW Council Member Dei Tomos with Gerallt Penant from S4C's *Clwb Garddio* at the launch of *Plant for Wildlife*

Key Target performance 2002-03

Key to Targets: Exceeded (21%), Met (61%), Partially met(18%).

Key target No	Mechanism	Target	% Achieved
---------------	-----------	--------	------------

Targets exceeded

2	Notify additional SSSI's.	10	130%
10b	Extend Challenge Fund for further Species Action Plans under the UK Biodiversity Action Plan.	15	120%
12	Bring land under environmentally sensitive management through Tir Gofal.	50,000ha and 550 agreements	138%
18a	Access to open country & common land: issue draft maps for Wales.	57% of land area of Wales	106%
20	Development Proposals.	4000	118%
21	Integrate Sustainable Development into our Corporate and Operational Planning processes, through implementation of our SD Action Plan, including piloting ISO 14001 Environmental Management Standards at our Cardiff and Swansea sites.		greater than 100%
17a	Support through Grant aid projects which promote health and walking under the CCW, British Heart Foundation (BHF) and NOF funded Walking the Way to Health Initiative.	9	110%

Targets met

1a	Consult and submit advice to the National Assembly on Candidate SACs (new sites and extensions).	33	100%
1b	Notify all outstanding SSSI underpinning candidate SACs.	80	100%
3	Prepare Site Management Statements for existing SSSI as required by the CRoW act.	200	100%
7	Monitor qualifying features on SAC/SPA.	10%	100%
8a	Review standards of access for people with disabilities on most visited NNRs.	12	100%
8b	Construct programme to improve access for people with disabilities on most visited NNRs.	12	100%
10a	Instigate implementation of further Habitat and Species Action Plans relevant to Wales under the UK Biodiversity Action Plan, bringing the total being implemented to 155 out of 221.	15	100%
11	Support implementation of Local Biodiversity Action Plans by Local Authorities in partnership with the voluntary sector.	A further 12 to bring the total to 24	100%
13	Facilitate the development of Management Plans for AONBs. During 2002-03 support and monitor progress in implementing new performance indicators (PI) for AONBs.	10 PIs for 5 AONBs	100%
14	Production of a report to NAW, evaluating the environmental report benefits accruing from the National Park Environment Development Fund Scheme by the end of May 2002.	100%	

Key target No	Mechanism	Target	% Achieved
Targets met			
15	Support with grant aid additional Local Authorities to commence LANDMAP. All Local Authorities and National Parks to have commenced implementation by the end of 2002-03.	5 (bringing the total to 25)	100%
16	Survey coastline to provide baseline habitat and species distribution data for the intertidal zone.	An additional 10% (bringing total so far to 76%).	100%
17b	Grant aid other projects that support improved access for recreation and community purposes, under Adfywio.		100%
19	Ensure additional PROW on Tir Gofal farms is well maintained and unobstructed.	500km	100%
22	Implement agreed recommendations contained in CCW's QQR Action Plan by March 2003.		100%
23	Develop and publish by March 2003, a five year Technical Support & Research Strategy.		100%
25	Implement a revised Purchasing Strategy. Put in place measures to reduce by 75% the number of low value purchase orders.		100%
26	Seek accreditation to the Investors in People standard by December 2002.		100%
27	Review our Equal Opportunities Policy and Monitoring Systems, to promote greater diversity.		100%
28	Complete Stages 1 and 2 of CCW's Review of Consents on current N2K sites by March 2003.		96%
Targets partially met			
4	Prepare Site Management Plans for SAC/SPA sites.	80	20% complete, 80% in preparation
5	Secure better management on SSSIs through new management agreements with owner occupiers, giving priority to sites underpinning SAC/SPA sites.	10,000ha	76% complete
6	Complete initial Regulation 33 advice for relevant authorities for all Marine N2K sites. Process to be complete by March 2003.	5 sites	70% complete
9	Improve interpretation and education facilities at Ynyslas, Cors Caron, Coedydd Aber, Newborough and Oxwich NNRs.	5	80% complete
18 b	Access to open country and common land: issue provisional maps	22%	23% of the target has been met at the year-end. Target will be fully met by May 2003
24	Implement an online corporate grants administration system capable of supporting online self-servicing of grants by recipients. During 2002-03, implement system on our internal network (internal target).		80% complete

REGISTER OF MEMBERS' INTERESTS – 2002/2003

1. Directorship of companies, public or private, both remunerated and unremunerated.
2. Employment(s) or office(s), both remunerated and unremunerated.
3. Remunerated trades, professions or vocations.
4. The names of clients when the interests referred to above include personal services by the Member which arise out of or are related in any manner to his/her membership of the Council.
5. Land holdings which have been notified as SSSI, any conservation payments being received and any other land held in 'heritage' designation.
6. The names of companies or other bodies in which the Member to his/her knowledge has, either himself/herself or with or on behalf of his/her spouse and infant children, a beneficial interest in shareholdings of a nominal value greater than one-hundredth of the issued share capital.
7. Relevant interests of spouse/partner or children not notified above.

Mr J. Lloyd Jones (Chairman)

2.
 - i Chairman, Countryside Council for Wales
 - ii Member, Institute of Grassland and Environmental Research Governing Body (from 1 October 2002)
 - iii Member, National Trust's Estates Panel
3.
 - i Farmer
5.
 - i Hendy Farm in Tir Cymen Scheme
7. Spouse
 - i Member, Gwynedd Unitary Authority
 - ii Chairman, Mid Wales Tourism Company
 - iii Member, Mid Wales Tourism Partnership
 - iv Director, Pan-Wales Tourism Alliance
 - v Member, Wales Tourist Alliance
 - vi Director, Festival of the Countryside/Gwyl Cefn Gwlad Cyf
 - vii Member, Snowdonia National Park Environment Development Fund

Dr E. M. N. Andrews

1.
 - i Tufnol Industries Ltd
 - ii ICM (Plastic Moulding) Ltd
 - iii Wales European Centre Brussels
2.
 - i Tufnol Industries Ltd
 - ii Countryside Council for Wales
 - iii Vice President, Royal Society for Protection of Birds
 - iv President, Brecknock Wildlife Trust
 - v Chairman, Aride Island Management Committee
3.
 - i Wildlife Consultant - short term contract, Environment Agency

Professor R. A. Dodgshon

2.
 - i Director, Institute of Geography and Earth Sciences, University of Wales, Aberystwyth
 - ii President, Society for Landscape Studies
 - iii Council Member, National Trust
4.
 - i Institute of Geography and Earth Sciences at UWA (constituent centres and research groups has carried out contract work for CCW)

Professor D. Edwards

1.
 - i Trustee, Royal Botanic Garden of Edinburgh (unremunerated)
 - ii Trustee, Royal Botanic Garden of Wales (unremunerated)
 - iii Trustee, the Natural History Museum
2.
 - i Research Chair, Cardiff University
 - ii Interim Director, National Botanic Garden of Wales
 - iii Member, Individual Merit Proportion Panel
 - iv Member, Darwin Initiative Committee
4.
 - i Steven Blackmore (Keeper Royal Botanical Gardens of England)
 - ii Sir Neil Chalmers (Director Natural History Museum)
 - iii David Ingram (Chair – Darwin Initiative)
 - iv Alan Hayward (Chair of the Board of Trustees – National Botanical Gardens of Wales)

Mr R. Jarvis

7.
 - i My wife and I are subscribing members of the National Trust; we hold no office.

Mr R. Lovegrove

1.
 - i Tir Coed (unremunerated)
 - ii Montgomeryshire Wildlife Trust (unremunerated)
2.
 - i CCW (remunerated)
 - ii Department of the Environment and Transport in the Regions
 - iii Committee Chairman, Severn-Trent Water plc (unremunerated)
3.
 - i Lecturer – Travel Companies

Mr R. Pratt

1.
 - i Director, Innovative Concepts Group (unremunerated)
4.
 - i 'Marine Standings' facility based at farm, on behalf of Marine Environmental Monitoring who are part funded by CCW (unremunerated)
5.
 - i Esgyrn Farm is partially designated SSSI. No payments sought, offered or received.

Mr B. Riddleston

1.
 - i Trustee, RSPB and Member of Society Council
2.
 - i Chairman, RSPB Cymru Committee
6.
 - i Approximately 1% of ordinary shares in Celtic Group Holdings Ltd.

Mr D. Tomos

2.
 - i Freelance journalist, broadcaster, (mainly working for the BBC). Reporting on Agriculture and the Countryside
 - ii Vice President, Council for National Parks
 - iii Vice President, Campaign for the Protection of Rural Wales
 - iv Independent Assessor for Public Appointments

Mr R Williams

2.
 - i Vice Chair of Governors, Coleg Llysfasi, Rhuthin
 - ii Member, National Eisteddfod of Wales Finance Committee
3.
 - i Broadcasting on Agri Business Issues primarily for the BBC & S4C
 - ii Agricultural Consultancy work
5.
 - i 40 Acre smallholding qualifies for E.S.A. grant for assistance and benefited from previous hedgerow renovation scheme
 - ii Owner of approx 250 acres tenanted mountain land which qualifies for E.S.A. grant assistance, but all grants are paid to tenants

Dr S Shackley

2.
 - i Senior Lecturer, School of Biological Sciences University of Wales, Swansea
 - ii Member, CCW
 - iii Former Minister's Appointee, South Wales Sea Fisheries Committee
3.
 - i As i. in 2. above.

Ms H. Yewlett

2.
 - i Teacher, Ysgol Gyfun Ystalyfera
5.
 - i Common land rights on an SSSI at Glasbury

STATEMENTS OF ACCOUNT PREPARED PURSUANT TO PARAGRAPH 21 OF SCHEDULE 6 TO THE ENVIRONMENTAL PROTECTION ACT 1990

FOREWORD

1. History of the Body and Statutory Background

The Countryside Council for Wales was established on 5 November 1990 in accordance with the provisions of the Environmental Protection Act 1990, to carry out statutory responsibilities for promoting the conservation of the natural world and the enhancement of natural beauty together with encouraging recreation and enjoyment of the countryside of Wales, and advising Government on all matters relating to countryside and nature conservation issues, as set out in Part VII Section 130 of the Act. It is financed by annual grant-in-aid from the National Assembly for Wales. Under Part VII Section 132(2) (a) of the Act the Council is empowered to accept gifts and contributions for the purposes of its functions which are defined in Section 132(2). The Accounts are prepared under paragraph 21(1), schedule 6, of the Act in a form directed by the National Assembly for Wales with the approval of the Treasury. A copy of the Accounts Direction can be obtained from the Council.

The Joint Nature Conservation Committee was established on 5 November 1990 by Section 128(4) of the Environmental Protection Act 1990 to carry out such functions previously discharged by the Nature Conservancy Council listed in section 133 therein. The expenses of the Joint Conservation Committee Support Unit are met in accordance with Schedule 7 of the Act and defrayed in proportion to the funding agreed by the Nature Conservancy Council for England, Scottish Natural Heritage and the Countryside Council for Wales. Assets and liabilities are jointly owned by the Nature Conservancy Council for England, Scottish Natural Heritage and the Countryside Council for Wales, apportioned on the agreed funding percentage for that year.

2. Funding

The Council's grant-in-aid from the National Assembly for Wales finances the excess of its capital and revenue expenditure (excluding depreciation) over its income.

3. Results and Appropriations

The 2002-03 Income and Expenditure account records a deficit on operating activities of £0.315 million on total income of £46.788 million over total expenditure of £47.103 million.

The income included £44.577 million of government grant towards revenue expenditure and £0.715 million in respect of the share of the revenue expenditure for the Joint Nature Conservation Committee Support Unit. In addition the Council received £1.649 million in grants towards capital expenditure and £0.025 million in respect of the share of Joint Nature Conservation Committee Support Unit capital expenditure.

Non-retainable income of £2.789 million of European Union funds for Tir Gofal was remitted to the National Assembly for Wales.

A surplus of £0.940 million was taken to the general reserve. A retained surplus of £1.895 million was brought forward from the previous financial year giving a retained surplus carried forward of £2.835 million.

4. Fixed Assets

In 2002-03, the Council purchased £1.649 million of capital assets as detailed in Note 12.

The majority of land is held as nature reserves and a market value is not appropriate.

5. Payment of Creditors Policy

The timing of payments is stipulated in all the Council's contracts and goods and service orders, the standard being payment within 30 days of receipt of goods or services or a valid invoice, whichever is the later.

The Countryside Council for Wales aims to settle all bills within the terms specified in accordance with the Better Payments Practice Code. During 2002-03, the Council paid 93 % of invoices within the 30 day terms.

6. Council Members for 2002-2003

J Lloyd Jones, OBE (Chairman)
Dr E M N Andrews
Mr B Riddleston
Professor R A Dodgshon
Professor D Edwards
Mr R Lovegrove, OBE
Mr R Pratt
Mr D Tomos
Mr R Jarvis
Ms H Yewlett
Mr T Jones, OBE *
Professor L Warren **

Mr R Williams +
Dr S Shackley ++

* Term of office ended 31 December 2002
** Term of office ended 31 January 2003

+ Term of office commenced 01 February 2003
++ Term of office commenced 01 February 2003

7. Disabled Persons

The Disability Discrimination Act 1995 brought in new legislation to counteract the discrimination that people with disabilities face.

It gives rights to people who have or have had a disability which makes it difficult for them to carry out normal day to day activities. The disability may be physical, sensory or mental but must be substantial and must last or be expected to last for at least 12 months.

The Council has been awarded the '2 tick', Positive about Disability, symbol, a status granted by the Employment Service to employers following best practice guidelines in dealing with people with disabilities. The use of the symbol demonstrates to the Council staff and external applicants that the Council is committed to providing employment opportunities to people with disabilities, and will judge them solely upon their abilities.

8. Employee Involvement

The Countryside Council for Wales involves employees through the Countryside Council for Wales Whitley Council which brings together representatives of the management and trade unions in a working environment. There have been five Whitley Committee Meetings during the year and the discussions have been wide ranging and productive.

9. Auditors

Under paragraph 21 of schedule 6 to the Environmental Protection Act 1990 the Auditor General for Wales is required to examine and certify the statements of account and lay copies of them, together with his report, before the National Assembly for Wales.

R Thomas
Chief Executive

STATEMENT OF COUNCIL'S AND CHIEF EXECUTIVE'S RESPONSIBILITIES

Under paragraph 21 of schedule 6 to the Environmental Protection Act 1990 the Countryside Council for Wales is required to prepare a statement of accounts in the form and on the basis determined by the National Assembly for Wales, with the consent of the Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the Council's state of affairs at the year end and of its income and expenditure and cash flows for the financial year.

In preparing the accounts the Council is required to

- observe the accounts direction issued by the National Assembly for Wales, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Council will continue in operation.

The Accounting Officer for the National Assembly for Wales has designated the Chief Executive of the Countryside Council for Wales as the Accounting Officer for the Council. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the National Assembly for Wales Accounting Officers' Memorandum, issued by the Treasury.

CORPORATE GOVERNANCE STATEMENT ON INTERNAL CONTROL

1. As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Countryside Council for Wales (the Council) policies, aims and objectives, set by the National Assembly for Wales, whilst safeguarding the public funds and Council assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting.
2. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify the principle risks to the achievement of the Council's policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.
3. The Directors Team and Senior Management Team meetings include a standing agenda item on risk management and internal control. Council has delegated the responsibility for managing risks to the Audit and Risk Management Committee, who through their fuller knowledge of systems of internal control, are better placed to consider risk on behalf of Council.
4. A full risk and control assessment was undertaken and reported on the year ending 31 March 2003 to the Audit & Risk Management Committee in July 2003. Risk management has been incorporated more fully into the corporate planning and decision-making processes of the Council.
5. Each Group Head and Area Officer has drawn up a local risk register, which underpin the key risk register approved by Council. However further work is required to consolidate these local registers and to ensure consistency of approach.
6. The Council receives regular reports from the chairman of the audit and risk management committee concerning internal control. Each Director, Group Head and Area Officer has provided the Chief Executive with a written statement of assurance that all systems of management and financial control are fully effective. The issues that have been raised, which will be dealt with in 2003/04, do not lessen the adequacy of internal control.
7. In light of recent guidance issued in May 2003 (DAO (GEN) 09/03) we will be reviewing our risk management strategy during 2003/04 as part of our continuous development of an effective risk management process.
8. The Council has an Internal Audit Unit, which operates to standards defined in the Government Internal Audit Manual. They submit regular reports to the Chief

Executive and the Audit and Risk Management Committee, which include HIA's independent opinion on the adequacy and effectiveness of the Council's system of internal control together with recommendations for improvement.

9. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, the Audit and Risk Management Committee which oversees the work of the internal auditor, the executive managers within the Council who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

Roger Thomas
Accounting Officer

THE CERTIFICATE AND REPORT OF THE AUDITOR GENERAL FOR WALES TO THE MEMBERS OF THE NATIONAL ASSEMBLY FOR WALES

I certify that I have audited the financial statements on pages 8 to 22 under paragraph 21 of schedule 6 to the Environmental Protection Act 1990. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 12 to 14.

Respective responsibilities of the Council, the Chief Executive and Auditor.

As described on page 4 the Council and Chief Executive are responsible for the preparation of the financial statements in accordance with the Environmental Protection Act 1990 and National Assembly for Wales directions made thereunder, and for ensuring the regularity of financial transactions. The Council and Chief Executive are also responsible for the preparation of the other contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Environmental Protection Act 1990 and with the directions made thereunder by the National Assembly for Wales, and whether in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Council has not kept proper accounting records, or I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on page 5 reflects the Council's compliance with Treasury's guidance 'Corporate governance: statement on internal control'. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of

financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Countryside Council for Wales at 31 March 2003 and of the surplus, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Environmental Protection Act 1990 and directions made thereunder by the National Assembly for Wales; and
- in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn
Auditor General for Wales
3-4 Park Place
Cardiff
CF10 3DP

31st July 2003

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

	NOTES	£000	2002/03 £000	2001/02 £000
GROSS INCOME				
Grant in Aid	18	44,577		36,580
Grant in Aid applied to the JNCC Support Unit	5 & 18	715		628
Share of JNCC other income	5	138		121
Release from Government Grant Reserve	17	1,297		1,186
Income from Activities	2a	80		72
Retainable European Income	2b	(19)		64
			46,788	38,651
EXPENDITURE				
National Nature Reserves and Site Protection	3	3,799		4,121
Scientific and Technical Support	4	2,097		1,758
Annual Cost of the JNCC Support Unit	5	892		730
Grants Payable	6	3,589		2,777
Tir Cymen Grants Payable	7	3,956		5,101
Tir Gofal Grants Payable	8	8,805		5,226
Staff Costs and Council Members' Remuneration	9	15,272		12,159
Notional Charge - Cost of Capital		320		256
Other Operating Charges	10	6,809		5,585
Purchase of Heritage Assets	12	274		110
Depreciation	12	1,290		1,192
			47,103	39,015
(Deficit) on Operating Activities			(315)	(364)
Surplus on Disposal of Fixed Assets			3	13
Interest Receivable			142	146
(Deficit) on Ordinary Activities			(170)	(205)
Non-retainable European Income	8		2,789	1,460
Adjustment for Notional Charges			1,064	1,051
Amount surrendered to the National Assembly for Wales	11		(2,789)	(1,460)
Transfer from Reserves	17		7	8
Surplus on activities for the financial year			901	854
Surplus for the financial year			901	854
Adjustment for JNCC Support Unit surplus			39	(19)
Amount transferred to retained surplus for the year			940	835
Retained surplus at 1 April			1,895	1,060
Retained surplus at 31 March			2,835	1,895

All activities are regarded as continuing

The notes on pages 43 to 54 form part of these accounts.

BALANCE SHEET AS AT 31 MARCH 2003

	NOTES	£000	2002/03 £000	2001/02 £000
FIXED ASSETS				
Tangible assets	12		3,068	2,693
Investment in the Joint Nature Conservation Committee Support Unit	5		62	98
CURRENT ASSETS				
Stock	14	5		8
Debtors	15	849		1,285
Cash at Bank and in Hand		<u>3,758</u>		<u>1,950</u>
		4,612		3,243
CURRENT LIABILITIES				
Creditors falling due within one year	16	<u>(1,777)</u>		<u>(1,348)</u>
NET CURRENT ASSETS			2,835	1,895
TOTAL NET ASSETS			<u>5,965</u>	<u>4,686</u>
FINANCED BY				
CAPITAL AND REVENUE RESERVES				
Government Grant Reserve	17	2,687		2,335
Donated Assets Reserve	17	38		40
Revaluation Reserve	17	343		318
Share of Provisions and Reserves of the Joint Nature Conservation Committee Support Unit	5	62		98
Income and Expenditure Reserve		2,835		1,895
Government and Private Funds			5,965	4,686
			<u>5,965</u>	<u>4,686</u>

The notes on pages 43 to 54 form part of these accounts.

Roger Thomas
Accounting Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2003

Reconciliation of Operating Surplus to net cash inflow from operating activities

		2002/03	2001/02
	NOTES	£000	£000
(Deficit) on ordinary activities		(315)	(364)
Transfer from Government Grant Reserve	17	(1,297)	(1,186)
Depreciation	12	1,290	1,192
Decrease/(Increase) in stock	14	3	(3)
Decrease/(Increase) in debtors	15	436	(70)
Increase (decrease) in creditors	16	429	(2,316)
Net Annual Contribution to JNCC	5	39	(19)
Notional Costs		<u>1,064</u>	<u>1,051</u>
Net cash outflow from ordinary activities		<u>1,649</u>	<u>(1,715)</u>

CASHFLOW STATEMENT

		2002/03	2001/02
		£000	£000
Net Cash (Outflow) from Operating Activities			
Ordinary activities		1,649	(1,715)
Non Retainable European Income	8	2,789	1,460
Amount surrendered to the National Assembly for Wales	11	<u>(2,789)</u>	<u>(1,460)</u>
		<u>1,649</u>	<u>(1,715)</u>
Return on Investments and Servicing of Finance	19	142	146
Capital Expenditure	19	<u>(1,632)</u>	<u>(1,331)</u>
		159	(2,900)
Financing	19	1,649	1,346
Increase / (decrease) in cash		<u>1,808</u>	<u>(1,554)</u>

Reconciliation of net cash flow to movement in net funds

	2002/03	2001/02
	£000	£000
Increase/(decrease) in cash in period	1,808	(1,554)
Net funds at 1 April 2002	1,950	3,504
Net funds at 31 March 2003	<u>3,758</u>	<u>1,950</u>

The notes on pages 43 to 54 form part of these accounts.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

		2002/03	2001/02
	NOTES	£000	£000
Surplus/(deficit) for the financial year		940	835
(Surplus)/deficit on revaluation of fixed assets	12/17	25	(174)
Movement in Share of JNCC Provisions and Reserves	5	(36)	13
Movement on Government Grant Reserve	17	352	160
Movement on Donated Assets Reserve	17	(2)	(2)
Total recognised gains or (losses) for the year		<u>1,279</u>	<u>832</u>

The notes on pages 43 to 54 form part of these accounts.

NOTES TO THE ACCOUNTS

NOTE 1. STATEMENT OF ACCOUNTING POLICIES

1.1 Basis of Accounting

The Accounts have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets. Without limiting the information given, the Accounts meet the accounting and disclosure requirements of the Companies Act 1985 and accounting standards issued or adopted by the Accounting Standards Board so far as those requirements are appropriate. The Accounts Direction exempts the Council from the requirement to produce a statement of historical cost profits and losses.

1.2 Fixed Assets and Depreciation

1.2a Valuation Policy

Land, non-operational buildings and works services on designated conservation areas have been assigned a nil valuation. Other freehold land and buildings are valued at open market valuation for existing use or depreciated replacement cost in the case of specialised buildings. Full valuations are obtained every 5 years and are updated by appropriate indices in the intervening years. The last revaluation was at March 2002 conducted by King Sturge Independent Property Valuers.

Equipment, computers and vehicles are shown at cost less depreciation and are not revalued as in the opinion of the Council such adjustments would not be material.

Adjustments arising from revaluations are taken to the revaluation reserve. Any permanent diminutions in value are charged to the Income and Expenditure Account.

1.2b Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset to its residual value evenly over its expected useful life as follows:

Freehold Buildings	50 years or professionally estimated life
Freehold Buildings [short term structures]	20 years [or less if appropriate]
Computer Equipment	3 years [or up to 10 years on specific items]
Other Equipment	5 -10 years
Vehicles	5 years

An amount representing the difference between the depreciation charged on the revalued assets and that which would have been charged if the assets were shown at cost is deducted from the revaluation reserve and credited to the Income and Expenditure Account.

1.2c Sale of Fixed Assets

The proceeds of sale of fixed assets are surrendered to the National Assembly for Wales in their entirety, except where the proceeds are used for like-for-like replacement.

1.2d Donated Assets

The value of donated assets, or donations used for the purchase of fixed assets are credited to the donated assets reserve. An amount representing the depreciation on these assets is deducted from the donated assets reserve and credited to the Income & Expenditure Account.

1.3 Joint Nature Conservation Committee

The Joint Nature Conservation Committee Support Unit [JNCCSU] is funded jointly by the Nature Conservancy Council for England, the Countryside Council for Wales and Scottish Natural Heritage, who own its assets on the basis of an agreed proportion. JNCCSU is considered by the above bodies to be a 'Joint Arrangement that is not an Entity' as defined by FRS9. It produces a separate account, audited by National Audit Office, and the proportionate share of JNCCSU income, expenditure, assets, provisions, and reserves is incorporated into the Countryside Council for Wales financial statements on an agreed abbreviated form of the equity method.

1.4 Stock Valuation

Stocks of publications are valued on a first in first out basis at the lower of direct production cost and net realisable value.

1.5 Taxation

The Council is not liable to corporation tax or capital transfer tax on gifts and bequests received. Income is shown net of VAT. Expenditure and fixed asset purchases are shown inclusive of VAT, which is not generally recoverable.

1.6 Grant in Aid

Government grants received of a revenue nature or applied to the purchase of nil value assets [see 1.2a] are credited to income in the year to which they relate. Grants for capital expenditure are credited to the government grant reserve, and released to revenue over the expected useful life of the relevant assets by equal amounts.

1.7 Grants, Research Contracts and Management Agreements.

Research expenditure, grants awarded and management agreements payments are charged to the income and expenditure account when incurred.

1.8 Notional Costs – Cost of Capital (see 1.9 for Notional cost of pensions)

Cost of Capital – The financing structure of the Countryside Council for Wales does not include specific interest bearing debt, but to ensure that the Income and Expenditure Account bears an appropriate charge for the use of capital in the business in the year, a notional interest charge is included. In accordance with Treasury guidance, the calculation is based on 6 per cent of capital on average net assets.

1.9 Pension Values

Until the 30 September 2002, staff were members of the Council's unfunded superannuation scheme operated on a 'pay as you go' basis. The scheme was unfunded. With effect 1 October 2002, CCW transferred its pension liability to the PCSPS.

On the advice of the Treasury, the cost of pensions for current members of staff is calculated by reference to a percentage of basic pensionable pay as detailed below. For 2002/03 the cost of pensions was calculated for the six month period to 30 September 2002:

Salary Band	Percentage
£16,500 and under	12%
£16,501-£34,000	13.5%
£34,001-£59,000	16.5%
£59,001 and over	18.5%

The pension charge to the income and expenditure account includes a notional element, being the difference between the cost of pensions calculated as above and the amount paid to pensioners in the year. This notional element is written back in determining the surplus or deficit taken to/from reserves. For 2002/03, the notional element was for the period six months to 30 September 2002.

1.10 Derivatives

The Council has no borrowings and relies primarily on departmental grants for its cash requirements, and is therefore not exposed to liquidity risks. It also has no material deposits, and all material assets and liabilities are in denominated sterling, so it is not exposed to interest risk or currency risk.

NOTE 2 - INCOME

	2002/03 £000	2001/02 £000
a) Income from Activities		
Income from National Nature Reserves	55	59
Interpretation	9	10
Research	3	3
Miscellaneous	13	-
	<u>80</u>	<u>72</u>
b) Retainable Grants from the European Community		
Grants from the Objective 5B Structural programme	17	55
LIFE Programme Grants	13	13
Interreg Grants	(10)	(4)
Repayment	(39)	-
	<u>(19)</u>	<u>64</u>

NOTE 3 - MANAGEMENT OF NATIONAL NATURE RESERVES AND SITE PROTECTION

The cost of leasing, managing and maintaining National Nature Reserves and the cost of payments to Landowners of Sites of Special Scientific Interest for the environmentally beneficial management of their land

	2002/03 £000	2001/02 £000
National Nature Reserves		
Reserve Maintenance	1,508	1,855
Reserve Leases	28	26
Reserve Section 16 Management Agreements	303	255
Section 15 Management Agreement Costs		
Annual payments including Arrears to owners and occupiers	1,264	1,416
Annual & Works Costs	211	124
Monitoring and Management Planning		
Monitoring	102	47
Management Planning	73	49
Associated Legal Costs		
Public Enquiries	5	147
Legal Costs Relating to Management Agreements	198	85
Other Costs		
Other Activities [Wayleaves, Licences etc]	116	75
Land Agency Consultancies	70	50
Reimbursements	(79)	(8)
	<u>3,799</u>	<u>4,121</u>

Forward Commitments on Management Agreements

As a result of management agreements concluded by 31 March 2003, commitments to continuing annual payments are as follows:

	£000	£000
In the next financial years	1,721	1,437
In years 2-5 (annually)	1,157	2,099
5 years and over	692	920

NOTE 4 - SCIENTIFIC AND TECHNICAL SUPPORT

The cost of contracts to support CCW's scientific and technical programmes and the development of environmental policies for Wales.

	2002/03 £000	2001/02 £000
Natural Science Resource Base	1,018	783
Cultural Resource Base	248	191
Environmental Monitoring	349	239
Science / Policy Impact Studies	173	200
Experiments in Sustainability	0	44
Research to Develop Policy	201	259
Science Data Systems Collation	301	71
Special Initiatives	1	-
Conference Costs	30	33
International Subscriptions	21	26
Reimbursements on Joint Projects	<u>(245)</u>	<u>(88)</u>
	<u>2,097</u>	<u>1,758</u>

NOTE 5 - INVESTMENT IN JOINT NATURE CONSERVATION COMMITTEE SUPPORT UNIT

The Joint Nature Conservation Committee Support Unit is funded jointly by the Nature Conservancy Council for England, the Countryside Council for Wales, and Scottish Natural Heritage on the basis of agreed proportional contributions. Assets and Liabilities are jointly owned by the 3 bodies, apportioned on the basis of their agreed funding percentage for that year. The Countryside Council for Wales agreed proportion for 2002/03 was 13.74% [Prior Year 13.81%].

The attributed share of the income and expenditure of the JNCC Support Unit was:

	2002/03 £000	2001/02 £000
Ring fenced Grant in Aid to JNCC	715	628
Share of JNCC Expenditure	(892)	(730)
Share of JNCC other income	<u>138</u>	<u>121</u>
(Deficit) /Surplus for the year	(39)	19

Movements in the Council's investment in the JNCC Support Unit were:

(Defecit)/Surplus for the year	(39)	19
Adjustment for change in funding percentage	0	1
Other changes to asset value	<u>3</u>	<u>(7)</u>
Increase in investment for the year	(36)	13
Value of investment at 1 April	<u>98</u>	<u>85</u>
Value of investment at 31 March	<u>62</u>	<u>98</u>

financed by:

Income and Expenditure account	12	61
Other Provisions and Reserves	<u>50</u>	<u>37</u>
	<u>62</u>	<u>98</u>

The Joint Nature Conservation Committee Accounts are audited by the National Audit Office and laid before Parliament as an attachment to the English Nature Accounts. ..

NOTE 6 - GRANTS PAYABLE

	Public Sector £000	Private Sector £000	2002/03 Total £000	2001/02 £000
Management of Designated Areas	116	53	169	61
Management of Non-Designated areas	846	150	996	1,000
Woodland Conservation	91	54	145	71
Land Purchase	1	1	2	44
Development of Voluntary Sector	-	625	625	318
Landscape / Nature Conservation	128	48	176	240
Rights of Way	259	35	294	189
National Trails	290	(1)	289	321
Special Initiatives	-	673	673	333
European Development Fund	-	220	220	211
Reclaimed Grants	-	-	0	(11)
	<u>1,731</u>	<u>1,858</u>	<u>3,589</u>	<u>2,777</u>

NOTE 7 - TIR CYMEN GRANTS

	2002/03 £000	2001/02 £000
Annual Payments	3,102	4,145
Lump Sum Payments	<u>854</u>	<u>956</u>
	<u>3,956</u>	<u>5,101</u>

Forward Commitments on Tir Cymen Agreements

As a result of Tir Cymen agreements concluded by 31 March 2003, commitments to continuing annual and works payments are as follows:

	£000	£000
In the next financial year	2,394	4,400
In years 2-5 (annual average)	1,028	1,066
5 years and over	0	515

NOTE 8 - TIR GOFAL

	£000	£000
Annual Payments	6,175	3,163
Lump Sum Payments	2,651	2,064
Reimbursements	<u>(21)</u>	<u>(1)</u>
	<u>8,805</u>	<u>5,226</u>

1. The Countryside Council for Wales operates Tir Gofal within the framework of the European Union Agri-environment scheme and forms part of the Rural Development Plan for Wales.

The Countryside Council for Wales is entitled to reclaim reimbursement of 50% of management payments in the scheme. This income is not retainable and is surrendered to The National Assembly for Wales. It amounts to £2.789 million [Prior Year £1.460 million]

	£000	£000
In the next financial year	13,104	6,800
In years 2-5 (annually)	13,176	2,400
5 years and over	49,230	3,250

NOTE 9 - STAFF COSTS & COUNCIL MEMBERS REMUNERATION

Total Costs

With effect from 1 October 2002, the Countryside Council for Wales's pension scheme and all pension liabilities transferred to the PCSPS.

	2002/03	2001/02
	£000	£000
Salaries	12,948	10,221
National Insurance	906	624
Superannuation*	1,802	1,214
Net Superannuation Transfer Values	(434)	(10)
Early Retirement Costs	50	110
	<u>15,272</u>	<u>12,159</u>
Average Numbers	<u>619</u>	<u>537</u>

*The figure includes £744,000 of notional cost [£795,000 prior year] Current year notional costs are based on pension figures April to September 2002

Staff are employed within the Council as follows :

	2002/03	2001/02
Chief Executive and Central Office	4	5
Conservation Directorate	340	296
Countryside Policy Directorate	73	55
Science Directorate	79	85
Finance and Personnel Group	-	48
Information Management Group	-	37
*Corporate Services Directorate	110	-
Joint Nature Conservation Committee Support Unit.	13	11

* Corporate Services Directorate now incorporates the Finance, Personnel, Information Management Groups and Resource Planning and Efficiency Group which was previously part of the Countryside Policy Directorate

Council Members	£000	£000
Council members' Remuneration including National Insurance	97	95
Chairman's Remuneration including National Insurance	41	40

The Chairman is appointed by the First Secretary to the National Assembly for Wales. It is a part-time pensionable appointment of 130 days a year

Council members are appointed by the National Assembly for Wales on a part-time basis of 30 days a year. Their appointments are non-pensionable, with the exception of the Chairman

The following numbers of Council members received emoluments on the following ranges:

	2002/03	2001/02
£10,001 - £15,000	-	1
£ 5,001 - £10,000	11	10
£ 0 - £ 5,000	2	-

Senior Employees

In accordance with the Greenbury Code and DAO (GEN) 3/00, the Council is required to disclose the following details concerning senior staff, including those with responsibility for running policy making departments.

Name and Title	Age	2002 - 2003 Salary (as defined below) £K	2002 - 2003 Real Increase in pension at 60 £K	2001 - 2002 Total accrued pension at 60 at 31 March 2001 £K
D R Thomas - Chief Executive	50	£65-70k	See below	-
J Lloyd Jones Cadeirydd	53	35 - 40	0 - 2.5	0 - 5
Dr Malcolm Smith - Senior Director*	54	55 - 60	0 - 2.5	0 - 5
Dr David Parker - Director Conservation **	47	45 - 50	0 - 2.5	0 - 5
Mr John Taylor - Director Policy **	45	45 - 50	0 - 2.5	0 - 5
Mr L Warmington - Director Corporate Services	53	45 - 50	0 - 2.5	0 - 15

The Chief Executive was an ordinary member of the Council's pension scheme until 30 September 2002. From 1 October 2002 he became a member of the PCSPS as part of CCW's pension transfer to the PCSPS from this date.

His salary is determined by the Council and approved by the National Assembly for Wales. He is eligible for a performance bonus based on targets set by the Council and approved by the National Assembly for Wales

The gross salary of the Chief Executive was £65,000 (2001-2002 : £13,000. Appointed 21 January 2002) Although this post can attract a non-consolidated bonus, this does not apply during the first year following appointment. Other senior staff received a gross salary only.

None of the Council Members or senior staff received any remuneration other than shown above or received any benefits in kind.

* Dr Malcolm Smith joined the Council's pension scheme February 1998

** Prior reckonable service not transferred to the Council's pension scheme

Pensions

Until 30 September 2002, pension benefits were provided through the Countryside Council for Wales's Superannuation Scheme to whom the conditions of the Superannuation Acts 1965 and 1972 and subsequent amendments applied. This was a statutory scheme which provided benefits on a "final salary" basis at a normal retirement age of 60. Benefits accrued at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to 3 years pension was payable on retirement.

Members pay contributions of 1.5% of pensionable earnings. Pensions increased in payments in line with the Retail Price Index. On death, pensions are payable to the surviving spouse at the rate of half the member's pension. On death in service the scheme paid a lump sum benefit of twice pensionable pay. Medical retirement was possible in the event of serious ill-health. In this case, pensions were brought into payment immediately.

FRS 17 Retirement Benefits

Until the 30 September 2002, CCW staff were members of the Council's unfunded superannuation scheme operated on a pay-as-you-go basis (see Note 1.9). With effect 1 October 2002, CCW transferred its pension liability to the PCSPS.

Transfer costs to the PCSPS are to be funded by the Treasury through the National Assembly for Wales to the Cabinet Office - Civil Service Pensions. This transfer cost will have no impact on the Countryside Council for Wales's annual account.

The PCSPS is an unfunded multi-employer defined benefit scheme but the Countryside Council for Wales is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2003. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For the period 1 October 2002 - 31 March 2003, employers' contributions of £884,000 were payable to the PCSPS at one of four rates in the range 12 % to 18.5% of pensionable pay, based on salary bands. Employer contributions are to be reviewed every four years following a full scheme valuation by the Government Actuary. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

NOTE 10 - OTHER OPERATING CHARGES

	2002/03 £000	2001/02 £000
Accommodation Costs	1,332	1,270
Transport Costs	195	124
General Office Costs	813	656
Purchase, Hire & Maintenance of Equipment	454	410
Training	610	399
Travel and Subsistence	650	511
Hospitality	-	-
Information Systems Development	909	598
Corporate Services General	435	463
Miscellaneous legal costs	43	40
Audit Fee	25	24
Change in Stock Level	3	(3)
Publicity/Information/Education	1,155	947
Cartography	202	135
Library	101	88
Reimbursements relating to the above Services	<u>(118)</u>	<u>(77)</u>
	<u>6,809</u>	<u>5,585</u>

NOTE 11 - APPROPRIATIONS TO THE NATIONAL ASSEMBLY FOR WALES

Non-retainable income payable to the National Assembly for Wales

	2002/03 £000	2001/02 £000
European Union grants in support of Tir Gofal [see Note 8]	<u>2,789</u>	<u>1,460</u>
	<u>2,789</u>	<u>1,460</u>

NOTE 12 - FIXED ASSETS

	Freehold Buildings/Land £000	Equipment £000	Computers £000	Vehicles £000	TOTAL £000
COST OR VALUATION					
As at 1 April 2002	1,113	1,530	3,706	1,247	7,596
Additions	4	238	1,305	102	1,649
Disposals	-	(20)	(228)	(143)	(391)
Revaluation	26	-	-	-	26
As at 31 March 2003	<u>1,143</u>	<u>1,748</u>	<u>4,783</u>	<u>1,206</u>	<u>8,880</u>
DEPRECIATION					
As at 1 April 2002	90	1,180	2,870	763	4,903
Charge for the year	32	164	916	178	1,290
Disposals	-	(20)	(225)	(132)	(377)
Revaluation	(4)	-	-	-	(4)
As at 31 March 2003	<u>118</u>	<u>1,324</u>	<u>3,561</u>	<u>809</u>	<u>5,812</u>
NET BOOK VALUE					
At 1 April 2002	1,023	350	836	484	2,693
As at 31 March 2003	<u>1,025</u>	<u>424</u>	<u>1,222</u>	<u>397</u>	<u>3,068</u>

1. In accordance with Accounting Policy 1.2a, Heritage land and buildings are assigned a nil valuation. In 2002/03 the Countryside Council for Wales purchased heritage land at a cost of £274,000 which has been charged to the Income and Expenditure Account in year. [Prior Year £110,000].
2. There are contractual commitments of £318,000 for future years in the following categories (Prior Year £175,000)

	£000
Computers	147
Equipment	149
Vehicles	22
	<u>318</u>

NOTE 13 - ANALYSIS OF ANNUAL COMMITMENTS UNDER OPERATING LEASES

	Land/Buildings £000	Vehicles £000	Total £000
Leases which expire within 1 year	12 at 24	1 at 4	28
Leases which expire within 2-5 years	25 at 130	5 at 23	153
Leases which expire over 5 years	42 at <u>577</u>	<u>-</u>	<u>577</u>
	731	27	758

NOTE 14 - STOCK

	2002/03 £000	2001/02 £000
Publications	<u>5</u>	<u>8</u>
	<u>5</u>	<u>8</u>

NOTE 15 - DEBTORS

	2002/03 £000	2001/02 £000
Trade Debtors	284	727
Prepayments	553	539
Other Debtors	<u>6</u>	<u>19</u>
	843	1,285
Amounts falling due after more than one year	<u>6</u>	<u>-</u>
	<u>849</u>	<u>1,285</u>

NOTE 16 - CREDITORS

	2002/03 £000	2001/02 £000
Payable within 1 year		
* Trade Creditors	1,766	567
Other Creditors & Accruals	<u>11</u>	<u>781</u>
	<u>1,777</u>	<u>1,348</u>

* This sum includes £1m of Grant-in-Aid received by CCW in advance of need. At 31 March it was anticipated that this sum would be returned to the National Assembly for Wales. Subsequent to 31 March 2003, it was agreed that CCW should retain this sum for use against it's 2003-04 expenditure requirements.

NOTE 17 - MOVEMENT OF FUNDS

	Government Grant Reserve £000s	Donated Assets Reserve £000s	Revaluation Reserve £000s	JNCC Provisions & Reserves £000s	Income & Expenditure Account £000s	2002/03 £000s	2001/02 £000s
Balance at 1 April	2,335	40	318	98	1,895	4,686	3,854
Retained surplus for the year	-	-	-	-	940	940	835
Capital grants & donations	1,649	-	-	-	-	1,649	1,346
Revaluation of tangible fixed assets	-	-	30	-	-	30	(168)
Transfers to Income & Expenditure account	(1,297)	(2)	(5)	-	-	(1,304)	(1,194)
Movement in JNCC Provisions & Reserves	-	-	-	(36)	-	(36)	13
Balance at 31 March	<u>2,687</u>	<u>38</u>	<u>343</u>	<u>62</u>	<u>2,835</u>	<u>5,965</u>	<u>4,686</u>

NOTE 18 - GOVERNMENT GRANT IN AID

	2002/03 £000	2001/02 £000
Grant in Aid for general activities	44,182	36,369
Additional Grant in Aid for Gwent Levels Wetlands Reserve	175	-
Additional Grant in Aid for the European Development Fund	<u>220</u>	<u>211</u>
Total credited to Income and Expenditure account	<u>44,577</u>	<u>36,580</u>
Grant aid applied to JNCC Support Unit	715	628
Adjustment to cover Share of JNCC Capital Account	25	14
Government Grant Reserve	<u>1,649</u>	<u>1,346</u>
Total Grant in Aid received in year	<u>46,966</u>	<u>38,568</u>

NOTE 19 - NOTES TO THE CASH FLOW STATEMENT

	2002/03 £000	2001/02 £000
Returns on Investment and servicing of finance		
Interest received	<u>142</u>	<u>146</u>
Capital Expenditure		
Payments to acquire tangible fixed assets	(1,649)	(1,346)
Receipts from sale of tangible fixed assets	17	15
	<u>(1,632)</u>	<u>(1,331)</u>
Financing		
Government Grant received for Capital expenditure	<u>1,649</u>	<u>1,346</u>

20. CONTINGENT LIABILITIES

The European Commission has questioned the regularity of management agreement payments as hitherto they have not been notified to the Commission for approval as State Aid. The issues involved are common to such payments made by all the UK's statutory conservation agencies. The Commission was notified in December 1999 that new management agreements after 1 January 2000 would be compliant with agri-environment measures in the Rural Development Regulation and with the Community Guidelines for State Aid in the Agriculture Sector. Measures have been put in place to ensure compliance with this. Although the issue of non-notification has not yet been settled, it is thought unlikely that any financial penalties will be levied.

21. RELATED PARTY TRANSACTIONS

The Countryside Council for Wales is a Public Body sponsored by the National Assembly for Wales.

The National Assembly for Wales is regarded as a related party. During the year the Countryside Council for Wales has had various material transactions with the National Assembly for Wales and with other entities for which the National Assembly for Wales is regarded as the parent department viz Welsh Development Agency, Wales Tourist Board, National Museum of Wales and Sports Council for Wales.

In addition, the Countryside Council for Wales has had a small number of transaction with other Government Departments and other central government bodies. Most of these transactions have been with English Nature and Scottish Natural Heritage.

None of the board members, key managerial staff or other related parties has undertaken any material transactions with the Countryside Council for Wales during the year.