



## Sustaining our environment

A Review of the work of the  
Countryside Council for Wales  
in 2001 - 2002



Llywodraeth Cynulliad Cymru  
Welsh Assembly Government

CORFF NODDEDIG | SPONSORED BODY



Cyngor Cefn Gwlad Cymru  
Countryside Council for Wales

# Sustaining our environment

A Review of the work of the  
Countryside Council for Wales in 2001 - 2002



# Foreword

Looking back on last year, the achievements of the organisation - during a period when much of the countryside of Wales was inaccessible due to Foot and Mouth Disease (FMD) – reflect our ability to flexibly manage our resources.

We met 23 of the 27 Key Targets agreed with the Assembly, 3 others were substantially met (greater than 75%) and 1 was postponed to 2002/3 by agreement.

We launched - after wide consultation in Wales – our Vision, the implementation of which will involve a re-focusing of our resources as we work towards a Wales in which everyone values our environment.

The link between our environment and economy was demonstrated graphically by last year's FMD crisis. As well as the devastating impact on agriculture, tourism revenues were severely reduced – an economic loss that greatly exceeded the huge costs to agriculture.

We also now have a better understanding of how valuable our environment is to our economy from the study 'Valuing Our Environment', produced by a partnership led by the National Trust in which we and many others participated. This not only demonstrated that the Welsh economy places a greater reliance on its environment for its economic prosperity than do the other countries of the UK, but that there is also much more economic growth to be gained from the environment-economy link.

But our environment - this vitally important economic asset to Wales – is under growing pressure, often from sources outside our direct control. This makes our work increasingly important to the future of Wales, to our social, economic and environmental prosperity. I would like to pay tribute to the professionalism of our staff in managing this asset on behalf of the people of Wales, particularly through the difficulties of the last year.

Roger Thomas  
Chief Executive



# Contents

Chapter 1: Restoring the character of Wales' landscape.....	1
Chapter 2: Saving Wales' wildlife.....	5
Chapter 3: Caring for our rivers, lakes and seas .....	11
Chapter 4: Supporting sustainable economic development.....	15
Chapter 5: Enjoying our countryside and coast .....	19
Chapter 6: Fit for purpose .....	22
Chapter 7: Communicating our message.....	25
Annex 1: Declarations of interest – Council members.....	28
Annex 2: Statement of account .....	31

The patchwork of small fields, edged with hedges and trees on lowland farms, and the extensive rough grazings of mountain land, are essential ingredients in the image of Wales which people carry in their minds.



# Restoring the character of Wales' landscape

The Welsh landscape is a farmed landscape. The patchwork of small fields, edged with hedges and trees on lowland farms, and the extensive rough grazings of mountain land, are essential ingredients in the image of Wales which people carry in their minds. But each change at the farm level to the way the land is farmed, for example a switch from hay to silage, when replicated across Wales, changes the way the landscape looks and the biodiversity it supports.

The outbreak of Foot and Mouth disease in Wales in February spelled the start of what was a traumatic year for agriculture and rural enterprises. So much of our work is achieved with and through farmers, that the crisis also dealt a blow to our plans and targets. The modest silver lining to this very dark cloud was the way it opened up the possibility of new thinking about the future of farming. In some areas the removal of large numbers of sheep brought about a return of flowery meadows and provided a



Traditional meadow, Cwm Eickla SSSI - Woodfall Wild Images

glimpse of what a less intensively stocked countryside might look like.

The farming crisis highlighted the interdependence of agriculture, the environment and tourism, and their influence on the well-being of the rural economy and communities. To understand the implications of foot and mouth disease for the rural economy,



landscape, Clwyd-CCW/Celtic Picture Library

and how it might affect the environment, we commissioned a study from the Institute of Rural Studies at the University of Wales, Aberystwyth. We used the results of this study to help us advise on ways in which agriculture can continue to help deliver a richer and more diverse environment.

During the year we participated in the Assembly Rural Affairs Minister's 'Farming Futures Group', and were greatly heartened by the vision of the report *Farming for the Future*, when it was published in November. We have been fully involved in the process which it set in train, including a review of agri-environment policy, a Welsh perspective on the mid-term review of the Common Agricultural Policy, and work on the Tir Mynydd payments scheme. The National Assembly's support for environmentally-sensitive agriculture has been underlined by increased funding for the whole-farm agri-environment scheme, Tir Gofal, which we administer on their behalf.

Sadly, our target for the number of new farms which signed Tir Gofal agreements during the year was one of the victims of the access restrictions resulting from the Foot and Mouth outbreak (see Chapter 4). But we have plans in place for a rapid catch-up. We welcomed the launch of 'Woodlands for Wales', the National Assembly's strategy for trees and woods, and participated in the first meeting of the Wales Woodland Forum.

Our other targets designed to improve the quality of the landscape were met during the year. One of these related to the preparation of guidance to relevant Local Authorities on how to prepare their 'management' plans for Areas of Outstanding Natural Beauty (AONB). These



Pony trekking, Powys - Woodfall Wild Images

The farming crisis highlighted the interdependence of agriculture, the environment and tourism, and their influence on the well-being of the rural economy and communities.

are required by the Countryside and Rights of Way Act 2000.

Some of the finest landscapes in Wales, from the Anglesey coast and Llŷn peninsula to the Clwydian range, Gower coast and Wye valley, are recognised through the AONB designation. This has not always translated into the level of protection or funding enjoyed by National Parks. During the year several important steps have been taken to remedy this.

Sue Essex, the Minister for Environment, Planning and Transport, launched a grant scheme to help communities get innovative, sustainable development projects off the ground. We were asked to develop and administer this Environment Development Fund, through which £250,000 was allocated to Wales' five AONB. By the end of the year we had distributed £211,000 on 42 projects. Among the projects supported were a wildlife garden in the Wye valley, a local history project on the Llŷn

peninsula, a renewable energy education project in Gower, and public toilets on Anglesey that use reed bed technology to minimise environmental impact by naturally removing pollutants.

We prepared draft guidance and consulted widely with those who lived in, worked in or were interested in AONB in October. The response to this was incorporated in the final guidance for local authorities on the preparation and implementation of AONB management plans, and launched by the Environment Minister in March 2002.

The year was a landmark one for LANDMAP, the unique Welsh landscape information system which we have developed with partners. In October Sue Essex launched LANDMAP Wales, and

its methodology manual was published. This way of recording information about the many different aspects that make up our landscape, using a geographical information system, has won it UK and European awards. Its potential to help with decision-making about the sustainable use of the landscape won it a two-year EU project as part of the National Assembly's highly regarded TASK (Towards A Sustainable Knowledge-based region) Programme. The objective of this is to integrate socio-economic data with existing LANDMAP information.



Wye Valley, Tintern Abbey

Addressing the needs of rare wildlife and habitats has been put on a much more systematic footing in recent years.



# Saving Wales' wildlife

History, culture and land use are woven into the fabric of the landscape which varies from locality to locality. Similarly, biodiversity is an expression of the particular characteristics of each area – its rocks, soils and rainfall, for example. 'One size fits all' policies are not necessarily the best way to secure this variation, so during the year we supported the preparation of Local Biodiversity Action Plans, to stimulate local wildlife action, tailored to local needs.

Our target of 12 new Local Biodiversity Action Plans was substantially exceeded, as 23 of the 24 Local Biodiversity Action Groups in Wales (partnership initiatives coordinated by Local Authorities or National Parks), prepared a draft or published their plans. The partnerships which drew up the plans experienced high levels of participation – when surveyed, 96% of partners said that they valued being involved in a Local Biodiversity Action Plan. Among the aspects of the process they found most useful were the pooling of expertise and resources, and identifying common priorities and opportunities for joint working.

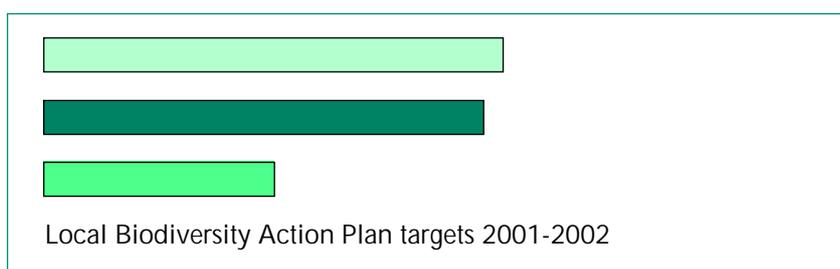
This commitment has resulted in a wide array of projects benefiting



local wildlife. Local Biodiversity Action Plans show how much people appreciate being involved with the wildlife on their doorstep. They offer a new route to saving Wales' wildlife. We were able to contribute £460,000 in grants towards this work.

Addressing the needs of rare wildlife and habitats has been put on a much more systematic footing in recent years, through the Government-supported UK Biodiversity Action

Local Biodiversity Action Plans show how much people appreciate being involved with the wildlife on their doorstep.



Plan. It provides a UK-wide, planned approach for much of our work, and priorities on which we and other organisations can work together.

One way in which we are doing this is through our Species Challenge Fund. We made grants of nearly £50,000 available during the year to a wide range of individuals and organisations to take forward species action plans and speed up actions on the ground. Some involved a small grant to an individual for travelling expenses to locate rare lichens, others involved larger sums of money to organisations like Butterfly Conservation for ambitious projects such as their work on the conservation of rare moths, for which they have employed a 'moth officer'.

If you see a bat, it is most likely to be a pipistrelle. Yet we still have much to learn about these small winged

mammals. Only recently, researchers have discovered that there are two separate species, which echo-locate (the way they fly safely) using different frequencies. Two local Welsh bat groups were among those to take up the challenge to find out about this and other pipistrelle mysteries.

Stoneworts are curious water plants related to algae, which often accumulate chalky deposits, so they feel hard and brittle. They are good indicators of water quality. One Challenge Fund grant has helped the wild plant charity Plantlife to train volunteers in stonewort identification, and to see whether important stonewort sites are suffering from pollution. Plantlife have been working on other species, such as the delightful but rare Deptford pink, improving the condition of its historic and current sites.



With our challenge grant, Butterfly Conservation undertook much moth activity, looking for rare species in likely sites, compiling site dossiers and looking at their habitat management requirements. Several marine conservation organisations have also helped meet the challenge; for example Friends of Cardigan Bay have conducted a review of marine life in the bay, which is a candidate Special Area of Conservation (SAC).

The importance accorded to the statutory protection of wildlife and habitats, for which we are responsible, has continued to grow. This was reflected in the large number of key targets relating to protected sites which we were set by the National Assembly during the year. One reason for this high profile for protected sites is the link which is now made within the European Union (EU) between, for example, progress in designating and protecting candidate Special Areas of Conservation under the EU Habitats Directive, and EU Objective 1 structural funds being made available.

Notifying a new Site of Special Scientific Interest (SSSI) involves detailed survey and mapping, liaison with landowners and managers, the preparation of a case for notification which describes the site's scientific importance for consideration by Council, and the notification itself, which includes a list of operations which might damage the site. A Management Statement is prepared for each site, explaining how best it should be managed to safeguard its interests.

We audited twenty National Nature Reserves, the target set, to see that they were being managed to the highest standards as key places we hold in trust for the Welsh nation. National Nature Reserves are the top wildlife sites, where management for their national and international importance takes precedence over other objectives.

This may mean taking action to maintain water levels, for example by building peat bunds, or making conditions suitable for breeding birds, for example by cutting rushes.

Scrub control at Crymlyn Bog National Nature Reserve was stepped up with a larger team of contractors able to exploit the use of portable boardwalks made from recycled hollow plastic section. The 'bouncy boardwalk' over part of the marsh at Oxwich National Nature Reserve was renewed, again using recycled plastic, as part of our drive towards the sustainable use of materials.



Boardwalk maintenance, Oxwich National Nature Reserve - Michael Hughes

In February, Gower Coast National Nature Reserve was extended to include the limestone cliffs between Thurba and Deborah's Hole. This stretch is a stronghold for yellow whitlowgrass, an attractive alpine flower restricted in the UK to south Gower. Greater horseshoe bats had their best breeding season ever at Stackpole National Nature Reserve, where 116 babies were born. Lesser horseshoe bats are also doing well there.

The Foot and Mouth crisis disrupted work on many National Nature Reserves, as well as reducing the number of visitors they received. Many were closed for long periods. The Brecon Beacons National Nature Reserves in particular were badly

affected. Yet Ynyslas National Nature Reserve visitor centre had the highest number of visitors ever recorded during the summer season. Thirty-two thousand people came in to see us in the centre.

In November, together with the North Wales Police, we hosted a major conference in Llandudno to discuss wildlife and environmental crime. This drew much needed attention to a type of crime which is a growing problem, and is often linked with other types of crime. As a result we have been able to extend and develop our intelligence network and share expertise in order to advance the conservation of our natural heritage. One example of this was the temporary secondment of a



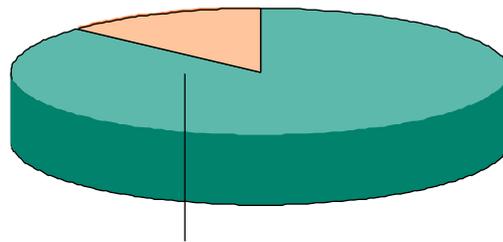
Gower Coast- Woodfall Wild Images

wildlife and environmental officer from North Wales Police to CCW. This arrangement proved so successful that the secondment has been extended for a further five years.

To meet its international obligations, the National Assembly has agreed with the UK Government a list of further candidate SACs to submit to the EU, which warrant protection because they contain wildlife threatened at a European level. The EU has called for these additional sites. All need to be notified as SSSIs to provide underpinning protection. The target which the National Assembly set us was to notify 57 such SSSIs. The actual figure achieved was 49, or 86% of the target in spite of the substantial restrictions on land access due to the Foot and Mouth crisis.

We met our target to notify an additional 19 SSSIs which did not underpin SACs, for example geological sites, or ones where urgent preventative action was needed in the face of a threat. We doubled the area of SSSIs over which we secured management agreements (from 7,500 ha to 15,168 ha) to guarantee their survival and enhancement. This was achieved because Foot and Mouth Disease stopped us from doing the monitoring of 19,000 ha of SACs to establish that they were being managed in ways that safeguarded wildlife.

Our other targets relating to SSSIs were all met or exceeded. We prepared 100 Site Management Statements and 117 Site Management Plans for SSSIs. We brought the required area of marine SACs into management schemes and, in collaboration with the Environment Agency, produced 85 Site Issue Briefings (to conform with the EU Habitats Directive) in order to advise the Agency on those water abstractions or discharge licences which might need alteration.



86% of target to designate SSSI met despite difficulties presented by Foot and Mouth disease

The marine environment is poorly chartered territory, a foreign element to most people. Yet we depend on it in many ways.



# Caring for our rivers, lakes and seas

Our rivers are a precious resource, home to wildlife evocative of these beautiful features in the landscape. But what conditions do species like salmon, otter, freshwater pearl mussel, Allis and Twaite shad need to thrive? How do we look after important beds of water plants which support the food chain? Determining their needs, and providing a valuable resource for the conservation and restoration of river habitats and the species that live in them, has been one outcome of a major collaborative exercise. The LIFE in UK Rivers Project is supported by the European Union, and brings together six Agencies, including CCW, in a four-year collaborative project.

Other areas of work covered by the project include investigating techniques for rearing and re-introducing white-clawed crayfish and freshwater pearl mussel, two of our most threatened river species; finding out how best to monitor bullhead populations and beds of water plants in the Afon Teifi; raising awareness of the sensitivity of the river environment by publishing leaflets and reports, and establishing a website; and producing a conservation management plan for the Afon Teifi Special Area of Conservation, in consultation with key stakeholders.

The Afon Teifi Conservation Management Plan has provided a means of identifying the big issues facing the river, such as water abstraction, pollution and the plight of the Atlantic salmon; of communicating with local people about the benefits of a healthy river; and stimulating action, such as otter monitoring. It has shown how important it is to view rivers, alongside their catchments, as whole wetland systems which have the capacity to yield great human benefits such as flood prevention, if they are treated wisely.



Pont Eimon, Afon Teifi - Stuart Davies

The involvement of local people has been essential to the success of the Gwent Levels Wetland Reserve. One manifestation of this was the planting of trees and shrubs on the reserve by members of two local Community Councils. Councillors came together in February to restore an ancient boundary between the two parishes, and create a continuous hedge which should become a haven for small mammals, birds and insects.

The reserve was established three years ago to provide habitat for wading birds in recognition of the loss of important habitat for birds which resulted from the Cardiff Bay barrage. It is attracting increasing numbers of wading birds. As the reserve's managers, we were delighted when it won a commendation in the Royal Town Planning Institute's annual Planning Achievement Award. It was the only project from Wales to reach the final.

Lakes have been under threat from several directions in recent years, affecting their fauna and flora, the quality of their water and ability to support fish. Air-borne pollution has led to acidification, while run-off from agricultural fertilisers has caused eutrophication – the absorption of oxygen by algae which can render lakes lifeless. We commissioned a major study of the plant and insect life of 25 lakes throughout Wales, the results of



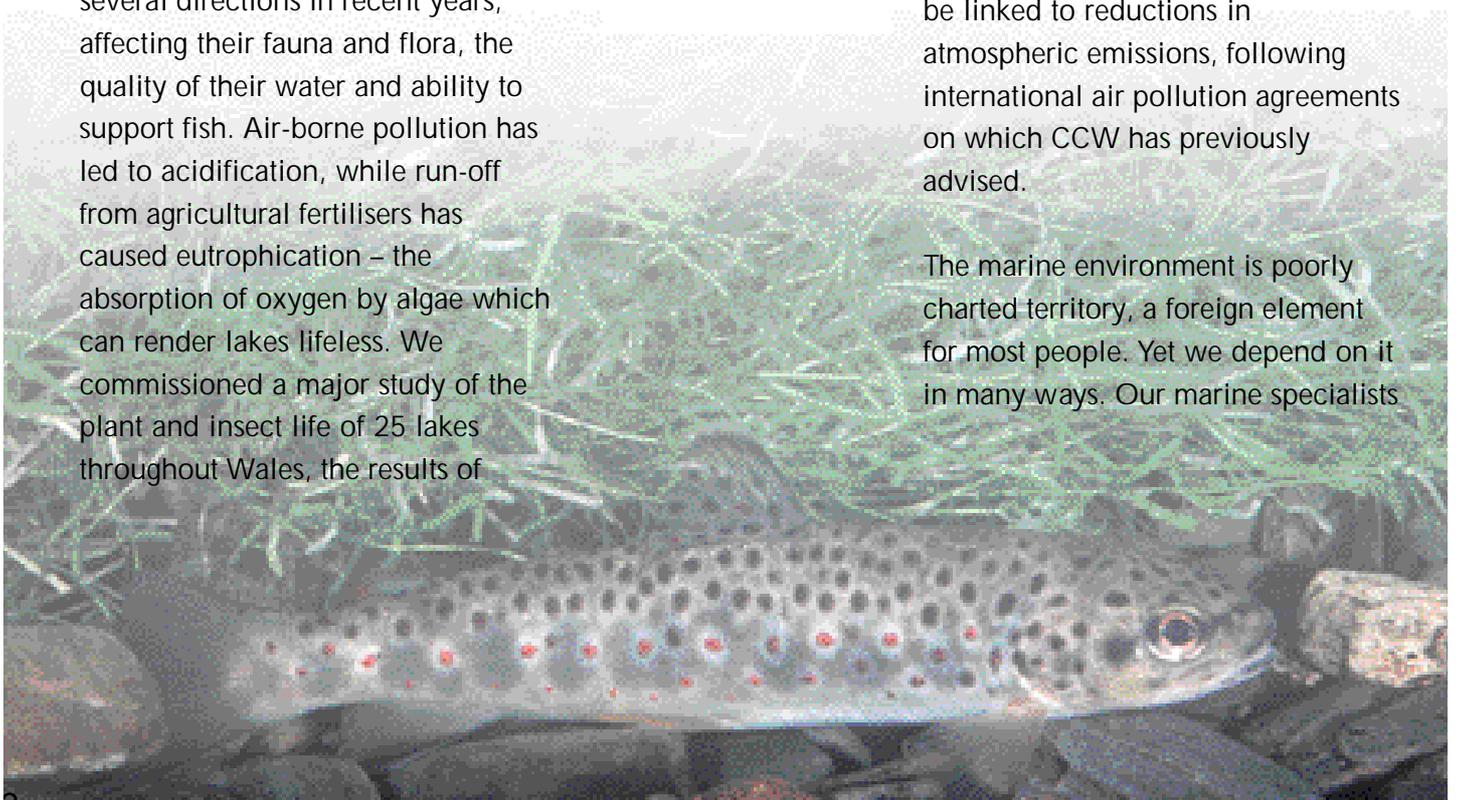
Hedgelaying, Gwent Levels Wetland Reserve – Roger James

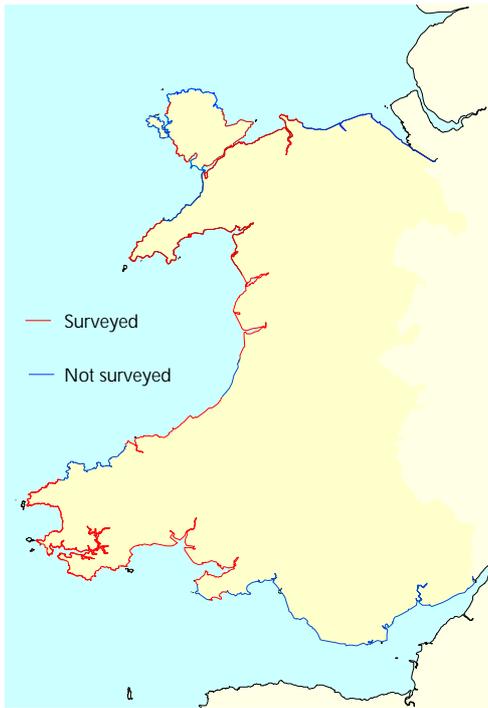
Councillors came together to restore an ancient boundary between two parishes ... which should become a haven for small mammals, birds and insects.

which were published during the year. This showed that pollution was dramatically altering the life in our lakes. Their muddy sediments revealed how the chemistry of the lakes had changed over time, with only six lakes remaining unchanged.

In the worst cases, lakes had become so acid that they could no longer support populations of brown trout. But signs of recovery in at least one lake were also detected, which may be linked to reductions in atmospheric emissions, following international air pollution agreements on which CCW has previously advised.

The marine environment is poorly charted territory, a foreign element for most people. Yet we depend on it in many ways. Our marine specialists



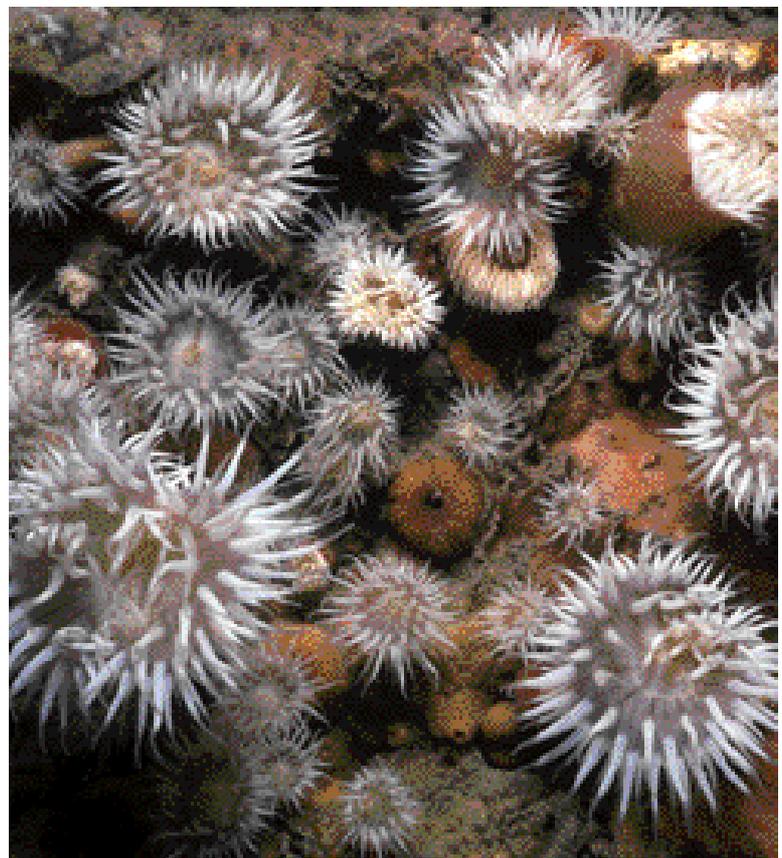


Intertidal Survey progress up until March 2002

have been trail-blazing a much greater level of understanding about marine life and what it needs. For example we organised a major count of grey seals off the north Wales coast. Each individual seal is recognisable by the pattern of markings on its face and neck. With the help of information provided by local people, the survey has enabled us to build up a detailed picture of the seal population around the coast.

During the year we passed the half-way mark in an ambitious survey of the coast between high and low tide. By the year end, well over 1,000 miles of coast had been surveyed and mapped to build up a comprehensive picture of the plants, animals and habitats that can be found at the sea's edge. Every metre of shore had to be walked, and the boundaries of each marine habitat had to be drawn onto

a map, using aerial photographs of the shore at low tide as a guide. The Foot and Mouth crisis presented a problem if access was over farmland, so boats were used to land surveyors onto the shore. The surveyors even had to swim ashore to reach some remote and inaccessible places. Efforts were concentrated on the north Wales coastline as far as east Anglesey, south Pembrokeshire and the Gower. The survey has revealed an astonishing richness and variety of life along the seashore between high and low tide. Despite the access difficulties, 66% of the coastline had been surveyed by the end of the year, slightly exceeding the 65.5% target which we had been set. As a result, we are in a much better position to provide advice on proposed developments and oil spills, and to help protect the most important stretches of coastline.



Sea anemones - CCW/Kate Lock

An appreciation of the economic importance of the environment is essential if economic development is not to kill the goose that lays the golden egg.



# Supporting sustainable economic development

It is hard to put a value on the environment – many people argue that it is beyond price; but an appreciation of the economic importance of the environment is essential if economic development is not to kill the goose that lays the golden egg. To provide this context we, along with a number of bodies, including the National Trust, sponsored a major piece of research on the economic contribution that the environment as a whole makes to the economy of Wales.

Published under the title 'Valuing Our Environment', this work showed that the environment generates wealth of around £9 billion annually, or 10% of Gross Domestic Product. More than 117,000 full-time jobs in Wales depend heavily on the environment, to which can be added another 52,000 jobs which are indirectly supported. This means that one in six Welsh workers depends on the environment for their livelihood – jobs such as environmental management, tourism, forestry and farming; and that the environment brings in about £1.8 billion in wages to people in Wales. The Foot and Mouth crisis served to further highlight the interdependence between jobs and the environment.

Much of our work during the year had an indirect economic benefit. For example, our knowledge of what lives between the tides along our coast improves the advice we can give to government, local authorities, developers and others so that the huge variety of marine life of our shores is not threatened. The richness of the Welsh coast attracts millions of visitors every year, contributing £600 million to the economy.

Our delivery of the Tir Gofal agri-environment scheme provided a direct benefit to the rural economy. Our target was to sign up about 500 farms, covering 50,000 ha of land under whole farm agreements. Unfortunately half the field season, when project officers visit farms and



Farmland under restriction - Joanna Robertson

survey them, was lost due to Foot and Mouth Disease, but we met 76% of the target, with agreements on 38,000 ha.

We were delighted that one of the first farmers to sign a Tir Gofal agreement won the Best Producer of the Year Award in the Soil Association's Organic Food Awards. His upland farm was involved in helping the recovery of the black grouse by rejuvenating the heather on the farm's upland moors. Other environmental benefits included keeping stock off sensitive heath and bog over winter, creating streamside corridors to benefit birds and mammals like otters and water voles, restoring wild flower meadows and reducing the number of sheep on the farm. These environmental benefits

run parallel with improvements to the viability of the farm and the quality of the organic beef and lamb it produces.

Grants totalling nearly £3 million were paid to a wide range of partners to improve our environment and encourage its enjoyment. There are clear economic benefits to the community flowing from this. Environmental work is now a major source of employment, and the environment has strong links with other important sources of employment, such as public health. Prevention is better than cure, and a recent UK study concluded that if, as a Nation, we invested in a greener urban environment, and greater biodiversity, we could save the National Health Service in Britain £30 billion.



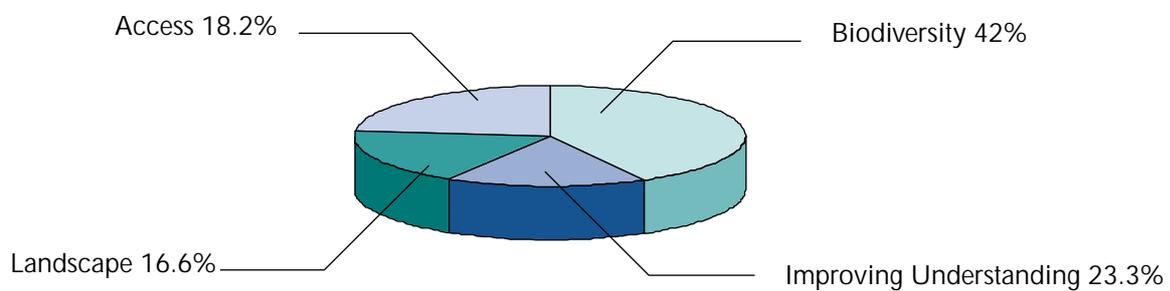
Tradition meadow - Woodfall Wild Images

In a small way our grants have helped to promote health. We were set the target of supporting 15 projects which promoted the health benefits of walking, for example through the Walking the Way to Health Initiative. In practice we were able to wrap some smaller projects together into larger ones, so the total number of projects we supported was actually thirteen, towards which we offered over £100,000 of grant support. This effectively achieved our target fully, as well as fulfilling another of our purposes – encouraging people to enjoy the countryside.



Walkers, Anglesey - Mike Hammet

Another of our purposes – encouraging people to enjoy the countryside.





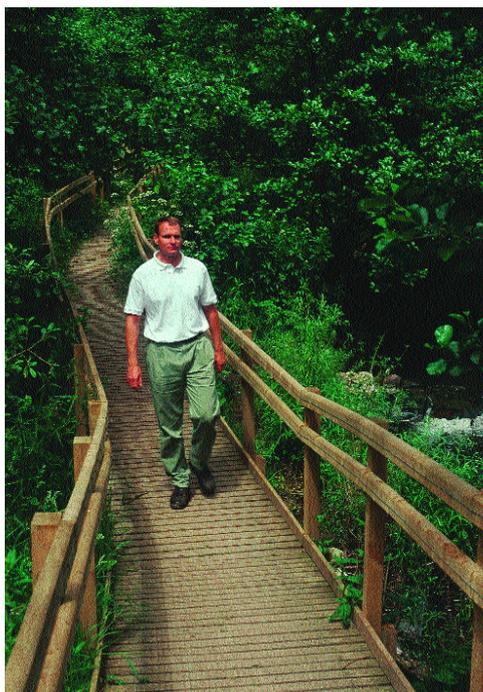
# Enjoying our countryside and coast

Ironically, it was the ban on walking brought about by the Foot and Mouth crisis which showed how important the public footpath network is, and how many people actively participate in rural life through walking. As the Joni Mitchell lyric said, 'You don't know what you've got 'till it's gone', and this can apply equally to our enjoyment of the countryside as to the environment itself.

Through grant aid to local authority partners we were able to exceed our target of getting into good condition an additional 300 kilometres of Public Rights of Way close to population centres, or linked to public transport. The final figure, at just under 440 kilometres, was close to our pre-Foot and Mouth target of 450 kilometres. All these Public Rights of Way are now fully defined, maintained and publicised. When the crisis finally ended, people were crying out for information about which public rights of way were open. We responded to this need by publishing maps on our web site giving clear details of which public paths were available to walkers. They consisted of about a third of the 100,000 or so public paths, in safe parts of the countryside away from areas where any risk of infection remained. We were able to mark the start of the return to normal by re-

opening a path at the Cwm Idwal National Nature Reserve, and held a press conference there. This sent out the message that the countryside was back in business.

As with so much of our work, the crisis in the countryside presented an additional challenge to our efforts, and those of our partners, to improve access opportunities. For example, we were set the target of improving 500 kilometres of public footpaths on Tir Gofal farms. Despite losing half a year because of the crisis, we managed to achieve a total of 450 kilometres of improved public rights of way, including 64 kilometres of permissive paths under Tir Gofal agreements.



Walker on boardwalk, Wrexham - David Woodfall



The access provisions of the Countryside and Rights of Way Act 2000 have given us substantial new responsibilities. We are responsible for drawing up what have become known as ‘open access maps’, which define the areas of open country and common land where access will be lawful under the Act. In doing this, we have been very conscious of the need to inform people who may be affected by this new provision.

Common land covers nearly a tenth of Wales, including some of the best-loved walking country, replete with spectacular landscapes and important

Common land covers nearly a tenth of Wales, including some of the best-loved walking country

wildlife sites. At the end of July the Minister for Rural Affairs, Carwyn Jones, launched our common land information road show. We visited every corner of Wales, holding question and answer sessions, and displaying maps of common land in our travelling exhibition.

As a result of the road shows, we were able to unveil the first ‘draft’ maps of open country and registered common land, and begin the formal consultation process in earnest, in February. These first maps were for the Berwyns, and Llantysilio and Ruabon area. As Minister for the Environment Sue Essex pointed out at the launch, potentially an extra 300,000 hectares of land in Wales could become available for public access – more than the total area of the three National Parks. We met our target, which was to prepare draft maps for open country and common land for the whole of Wales. We were also able to finalise many of the boundaries, ready for consultation, comfortably meeting our target of initiating consultation on 15% of the mapped area.

Our final target for increasing public enjoyment of the countryside concerned what are known as ‘local access forums’, where issues relating to access to open land covered by the new Act can be resolved. During the year, these forums were established across Wales to help deliver access to open country and common land. We published and distributed best practice guidance to help them operate, meeting another target.

Although it was not a specific target, we were very conscious of the need to conform to the new Disability Discrimination Act. As well as providing suitable access to our buildings, we also need to make the land we manage accessible to as many people as we can. We have done this by working towards meeting the BT Access for All standards on our most popular NNRs. We have also made some small, secluded sites more accessible, to increase the

opportunities available to less able visitors to enjoy a wide range of landscapes and habitats. During the year we trained our wardens on how to carry out disability audits, so that we can identify where we need to make improvements. We have carried out work at several NNRs to improve access, including Coedydd Aber NNR, where we have improved path surfaces and gradients, and where we held a guided wheelchair walk.



Coedydd Aber

# Fit for purpose

We are a public body, dependent on public funding, so the way we conduct ourselves is crucial. We must be efficient and effective in the use of public money. We must also be accountable, and we must be sensitive to the demands of all our partners, whether these are landowners, politicians or the public at large. We intend to continuously review our efficiency and effectiveness.

One way in which our performance can be assessed is through a National Assembly review, conducted every five years on all National Assembly-sponsored public bodies. This review, known as the Quinquennial Review, was carried out during the year by Dr Ian Thomas. He invited a wide range of organisations which deal with CCW, as well as CCW's own staff, to send him comments on how they felt the organisation worked and what improvements could be made, and held many meetings to discuss different aspects of our work.

The review concluded that there was a continuing need for CCW and its functions and considered whether the current organisational framework was the most appropriate, in terms of our efficiency and effectiveness.

The report identified areas where there is scope for improving CCW's

effectiveness and systems of corporate governance, and made a series of recommendations. In October the National Assembly's Environment, Planning and Transport Committee considered the report, which broadly concluded that CCW was a well-governed organisation that was responding to the Assembly's guiding values and was pushing forward the Assembly's sustainable development agenda.

An Action Plan – the first written jointly by the National Assembly government and a sponsored body - was then drawn up, and the National Assembly considered it in March. The endorsed recommendations provide an excellent framework for future action to improve the organisation's effectiveness over the coming year. CCW is determined to implement all of its findings.

Although the Quinquennial Review was a valuable way to focus the organisation on its performance, our efforts must not cease with the implementation of its NAW-supported recommendations. Efficiency is an on-going task. For this reason we established a five-year Efficiency Plan in October 2000, and began to look at the way we do things in detail. During the year we examined how we respond to

consultations and enquiries, known as 'casework', to see whether all our procedures were essential or if they could be streamlined.

As a result of this review we changed our procedures, adopting streamlined methods of recording work, sharing information, defining priorities and helping promote efficiency through training and support. Our Efficiency Plan was revised to take account of these changes.

Among our key targets for the year were to establish an independent monitoring system for grants; to commission an independent review of our purchasing strategy, to make savings on running costs of at least £60,000; and to ensure that all the invoices we received were paid promptly. All these targets were achieved.

Sustainable development has become a much-used phrase with the advent of the National Assembly's Sustainable Development Scheme. It also represents a most significant new approach to our work. The National Assembly asked CCW to produce its own action plan for sustainable development, and we set ourselves the task of integrating sustainable development into our corporate planning processes during the year. At the end of the year we became the first public body in Wales to publish its own sustainable development action plan.

This was far from an academic exercise: it influences how we operate in a very direct way, through

annual sustainability appraisals. For example, more resources are being directed towards making our own operations environmentally friendly, so that we become an exemplar 'green' organisation. As well as improving efficiency, better information technology can reduce the number of journeys taken, minimise waste and save paper.

Making information about the environment available on the web not only saves paper, it helps reach new audiences, such as the young. We launched a newly designed website, and were delighted that it was short-listed for the Western Mail/Welsh Language Board's Bilingual Design Awards 2001. A feature which is appreciated by Welsh learners is the opportunity to switch at any point from a web page in one language, to the same page in the other language.

The website was just one manifestation of our bilingual policy, which saw a record £25,000 being invested in Welsh language training for staff during the year. We increased the range of training opportunities for staff, and put fresh emphasis on good staff management, motivation and morale. We exceeded our target for staff participation in a series of Investors in People action plan workshops.

Communication is a two-way street and we have benefitted greatly during the year from our partnerships with the public and communities.



# Communicating our message

Our environment is our most precious resource. Our wildlife depends on it, our economy is founded on it, much of our leisure time is spent in it and our national identity is based on it. How many people are conscious of this? For most, the environment is just there.

We nailed our colours to the mast with the publication of 'A better Wales: The natural environment of Wales in 2010'. This set out for the first time our vision for the natural environment, and the improvements to it which we would like to see within ten years. It joined a long list of our publications which give the people of Wales information about the natural environment and opportunities to enjoy it.

During the year we have sought to reach new audiences with the 'joined up' message that the environment should be part of every equation. We have done this, for example, by attending the four main political party conferences for the first time. We have taken floor space as an exhibitor in the conference halls.

Party political conferences in Wales provide a significant opportunity to engage with Assembly Members (AMs) and Members of both Houses of Parliament (MPs and Lords).

Devolution has increased the attraction of these conferences to politicians – including members of unitary authorities – and, as a consequence, they have become an especially efficient and effective means of two-way communication. They also give CCW an opportunity to see how Government and Opposition policies might affect the realisation of our Vision for 2010.

Our Chairman invited Assembly Members to briefing sessions on special topics such as the riches of our seas and the Countryside and Rights of Way Act. These went well, developing our dialogue with National Assembly members. We followed these up with a further series of briefings on topics selected by AMs, such as renewable energy and agricultural policy.

In January we launched our new Enquiry Service (Tel 0845 1306 229; email: [enquiries@ccw.gov.uk](mailto:enquiries@ccw.gov.uk)). This provides a single point of contact for members of the public and organisations who would like our help. In recent years we have received an ever-increasing number of general enquiries at our 13 offices in Wales. Every week we deal with more than 650 enquiries; these cover all manner of topics, but most are about wildlife, from 'What do I do if

I have bats in my roof?' to 'How do I build a wildlife pond?' or 'How do I join Tir Gofal?' Our bilingual Enquiry Service (all calls are charged at local rates) provides a quicker and more efficient way to cater for this demand. We hope it will raise awareness of the Council's work, and encourage people to take more of an interest in the environment.

We have grant-aided a range of bilingual or Welsh language educational resources, such as a poster illustrating the wildlife of the sea shore, and the environmental magazine for schools, 'Gwaith Maes'. A new bilingual CD-ROM about the Sea Empress disaster has been sent to all schools in Wales. This cross-curricular information resource is targeted at Key Stage 2 (seven to eleven year olds), and includes a section for teachers. It emphasizes the positive lessons which can be

learnt from the oil-spill disaster in Milford Haven.

We commissioned a major piece of research into the use of National Nature Reserves during the year. We chose two geographically close but very different National Nature Reserves, Coedydd Aber, the wooded gorge at the head of which is a spectacular waterfall at Abergwyngregyn, and the famous mountain landscape popular with outdoor groups at Cwm Idwal. Finding out how people learn from these National Nature Reserves, by interviewing visitors, has helped us to target the information we produce to meet the various needs of individuals and organized groups, and to identify gaps which exist in the provision of material. Such research is enabling us to ensure that young people have that first vital contact with nature, and to further the National





Assembly's comprehensive education and lifelong learning programme, called 'The Learning Country'.

Coedydd Aber and Cwm Idwal were two of the five National Nature Reserves at which we upgraded the interpretation and education facilities, thereby meeting another of our targets. This represented a start on what will be a much larger upgrading of facilities on National Nature Reserves in future years.

Communication is a two-way street, and we have benefited greatly during the year from our partnerships with the public and communities. Several community initiatives have underlined our commitment to delivering our mainstream work in partnership with 'stakeholders'. For example, we have trained our staff in community liaison, to help them

secure public participation in our consultation about marine Special Areas of Conservation and 'open access' land.

The web site continued to develop, and we launched a new section for kids ([www.ccw.gov.uk/kids](http://www.ccw.gov.uk/kids)) in time for Christmas. This provides a wealth of factual information about the natural environment, presented in a fresh and appealing way, aimed at children of all ages. It is bright, attractive and designed to make learning fun. With links to the National Curriculum's different key stages of learning, the site will be further developed for use as a classroom-based tool for teachers, and can be used as a home resource for parents.

# Cofrestr o ddiddordebau Aelodau'r Cyngor – 2001/2002

1. Swydd fel cyfarwyddwr cwmnïau, cyhoeddus neu breifat, gan gael cyflog neu heb gael cyflog.
2. Gwaith neu swydd(i), gan gael cyflog neu heb gael cyflog.
3. Masnachau, proffesiynau neu alwedigaethau gyda chyflog.
4. Enwau cwsmeriaid pan fo'r diddordebau y cyfeirir atynt uchod yn cynnwys gwasanaethau personol gan yr Aelod sy'n deillio o, neu sy'n gysylltiedig mewn unrhyw ffordd, i'w aelodaeth ef/hi o'r Cyngor.
5. Daliadau tir sydd wedi eu hysbysu fel SoDdGA, unrhyw daliadau a geir sy'n ymwneud â chadwraeth, neu unrhyw dir arall sydd wedi ei ddynodi fel 'treftadaeth'.
6. Enwau cwmnïau neu gyrff eraill lle mae gan yr Aelod, hyd y gwyddo ef/hi, naill ai ef/hi ei hun neu gyda neu ar ran ei briod/phriod a'i blant/phlant bach, ddiddordeb mewn cyfranddaliadau sydd â gwerth enwol sy'n fwy na chanfed o'r cyfalaf cyfrannau a gyhoeddwyd.
7. A oes gan eich priod/partner neu eich plant unrhyw ddiddordeb perthnasol nas nodwyd uchod? Os oes, a fydddech gystal â rhoi manylion.

## Mr J. Lloyd Jones (Chairman)

2. i Cadeirydd, Cyngor Cefn Gwlad Cymru
3. i Ffermwr
5. i Fferm Hendy yng Nghynllun Tir Gofal
7. Priod
  - i Aelod o Awdurdod Unedol Gwynedd
  - ii Cadeirydd, Twristiaeth Cefn Gwlad Canolbarth Cymru
  - iii Cadeirydd, Twristiaeth Cefn Gwlad Canolbarth Cymru
  - iv Aelod Panel o Gronfa Datblygu'r Amgylchedd Parc Cenedlaethol Eryri
  - v Cyfarwyddwr Gŵyl Cefn Gwlad
  - vi Aelod o Bartneriaeth Strategaeth Asedau Gwledig Amcan 1 Cymru Gyfan
  - vii Aelod o Bartneriaeth Economaidd Amcan 1 Gwynedd

## Dr E. M. N. Andrews

1. i Tufnol Industries Ltd
  - ii ICM (Plastic Moulding) Ltd
  - iii Canolfan Ewropeaidd Cymru, Brwsel
2. i Tufnol Industries Ltd
  - ii Cyngor Cefn Gwlad Cymru
  - iii Llywydd, Ymddiriedolaeth Bywyd Gwyllt Brycheiniog
  - iv Cadeirydd, Pwyllgor CFGA (RSPB) Cymru
  - v Aelod Cyngor o'r CFGA (RSPB)
  - vi Cadeirydd, Pwyllgor Aride Island
3. i Ymgynghorwr Bywyd Gwyllt – Cytundeb tymor byr, Asiantaeth yr Amgylchedd
6. i Tufnol Industries Ltd

### **Yr Athro R. A. Dodgshon**

2. i Cyfarwyddwr, Sefydliad Daeryddiaeth a Gwyddorau'r Ddaear, Prifysgol Cymru, Aberystwyth
  - ii Llywydd, Cymdeithas Astudiaethau ar Dirweddau
  - iii Aelod Cyngor, Yr Ymddiriedolaeth Genedlaetholt
4. i Sefydliad Daeryddiaeth a Gwyddorau'r Ddaear, Prifysgol Cymru, Aberystwyth (mae canolfannau a grwpiau ymchwil cyfansoddol wedi gwneud gwaith contract i CCGC)

### **Yr Athro Dianne Edwards**

1. i Ymddiriedolwr Gardd Fotanegol Frenhinol Caeredin (heb gael cyflog)
  - ii Ymddiriedolwr Gardd Fotanegol Genedlaethol Cymru (heb gael cyflog)
2. i Cadeirydd Ymchwil, Prifysgol Caerdydd
  - ii Pwyllgor IMP (rhan amser)
  - iii Pwyllgor Ymgynghorol Darwin
4. i Steven Blackmore (ceidwad Gardd Fotanegol Frenhinol Caeredin)
  - ii Charles Stirton (Cyfarwyddwr Gardd Fotanegol Genedlaethol Cymru)
  - iii David Ingram (Cadeirydd – Menter Darwin)

### **Mr R. Jarvis**

Dim datganiadau o ddiddordeb

### **Mr T. Jones**

2. i Cyngor Cymru dros Weithredu Gwirfoddol – Is-gadeirydd
  - ii Ymddiriedolaeth Elusennol Stadiwm y Mileniwm – Cadeirydd
3. i Ffermwr/perchennog coedwig
  - ii Aelod – Sefydliad dros Faterion Cymreigs  
YWCW  
Undeb Amaethwyr Cymru  
CTG  
Cymdeithas Amaethyddol Sioe Frenhinol Cymru  
SYGA (IGER - Institute of Grassland and Environmental Research)  
Partneriaeth Hyfforddiant Gwledig Powys – Gŵp ATB Lleol
7. i Ei blant yn aelodau o'r Urdd a Chlwb Ffermwyr Ieuaic

### **Mr R. Lovegrove**

1. i Tir Coed
  - ii Ymddiriedolaeth Bywyd Gwyllt Sir Drefaldwyn
2. i CCGC
  - ii AATRh

**Mr R. Pratt**

1. i Cyfarwyddwr Innovative Concepts (ICG)
4. i Cyfleusterau morol wedi eu lleoli yn y fferm, ar ran Monitro Amgylcheddol y Môr sy'n cael eu noddi'n rhannol gan CCGC.
5. i Mae Fferm Esgyn wedi ei dynodi'n rhannol fel SoDdGA. Ni ofynnwyd am dâl, ni chynigiwyd tâl, ac ni chafwyd tâl. Nid yw'r gyfngors hon yn cael ei rheoli mewn unrhyw ffordd neilltuoel.

**Mr B. Riddleston**

2. i Aelod, Pwyllgor CFGA Cymru  
ii Aelod, Glas Cymru
6. i 1% o gyfranddaliadau cyffredin yn Celtic Group Holdings LTS.

**Mr D. Tomos**

2. i Newyddiadurwr yn gweithio ar ei liwt ei hun, darlledwr, yn gweithio'n bennaf i'r BBC. Rhaglen radio ddyddiol ar BBC Radio Cymru.  
ii Is-Iywydd – Cyngor y Parciau Cenedlaethol  
iii Is-Iywydd – Yr Ymgyrch dros Warchod Cymru Wledig

**Yr Athro L. Warren**

2. i Athro mewn Cyfraith Amgylcheddol, Prifysgol Cymru, Aberystwyth  
ii Aelod, Pwyllgor Ymgynghorol Rheoli Gwastraff Ymbelydrol  
iii Aelod, Bwrdd Asiantaeth yr Amgylchedd  
iv Aelod, CBGN  
v Aelod, Bwrdd Rheoli Canolfan y Gyfraith ar gyfer Ardaloedd Gwledig  
vi FCyn-gadeirydd Arfordir  
vii Cyn-aelod, Pwyllgor Ymgynghorol Gwarchod Amgylchedd Rhanbarthol Cymru (Asiantaeth yr Amgylchedd)  
viii Cyn-aelod, Pwyllgor Ymgynghorol Pysgodfeydd Rhanbarthol Cymru (Asiantaeth yr Amgylchedd)  
ix Cyn-gadeirydd, Grŵp Adolygu Pysgodfeydd Eogiaid a Physgodfeydd D\_r Croyw (MAFF a'r Swyddfa Gymreig)
7. Priod  
i Trysorydd, Y Sefydliad Prydeinig er Gwarchod Daeareg  
ii Cydlynnydd, Prosiect Daearyddol er Denu Ymwelwyr

**Ms H. Yewlett**

2. i Athrawes, Ysgol Gyfun Ystalyfera

# 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 2001-02 Income and Expenditure account records a deficit on operating activities of £0.364 million on total income of £38.651 million over total expenditure of £39.015 million.

The income included £36.580 million of government grant towards revenue expenditure. In addition the Council received £1.346 million in grants towards capital expenditure and £0.014 million in respect of the share of Joint Nature Conservation Committee Support Unit capital expenditure.

Non-retainable income of £1.460 million of European Union funds for Tir Gofal was remitted to the National Assembly for Wales.

A surplus of £0.835 million was taken to the general reserve. A retained surplus of £1.060 million was brought forward from the previous financial year giving a retained surplus carried forward of £1.895 million.

### 4. Fixed Assets

In 2001-02, the Council purchased £1.346 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 adheres to the Government Accounting principle by aiming to settle all bills within the terms specified. During 2001-02, the Council paid 97% of invoices within the 30 day terms.

### 6. Council Members for 2001-2002

J Lloyd Jones, OBE (Chairman) 1  
Dr E M N Andrews 2  
Mr B Riddleston 3  
Professor R A Dodgshon 4  
Professor D Edwards 5  
Mr T Jones, OBE 6  
Mr R Lovegrove, OBE 7  
Mr R Pratt  
Mr D Tomos  
Professor L Warren 8  
Mr R Jarvis  
Ms H Yewlett

#### Membership of other Public Bodies

- 1 Member, Joint Nature Conservation Committee
- 2 Chairman, RSPB Committee for Wales; Director Wales European Centre
- 3 Member, RSPB Committee for Wales; Member, Glas Cymru
- 4 Member, National Trust
- 5 Member, Darwin Advisory Committee
- 6 Chair, WCVA
- 7 Member, Advisory Committee Forestry Commission; Wildlife Inspector DETR
- 8 Member, Environment Agency Board; Member, Radioactive Waste Management Advisory Committee

## 7. Disabled Persons

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

It gives new 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 Seven 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  
Date 15 July 2002

## 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.
3. 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. I expect to have the procedures in place in March 2003 necessary to implement the Treasury guidance. This takes account of the time needed to fully embed the processes which the Council has agreed should be established and improve their robustness.
4. We have held a risk management seminar, attended by Group Heads, Area Officers and Directors Team, during which we identified the Council's objectives and risks and determined a control strategy for each of the significant risks. Council has approved the key Risk Register for CCW. Group Heads and Area Officers, in conjunction with their staff, have been tasked to devise local risk registers during 2002.
5. The Directors Team meetings now include a standing agenda item on risk management and internal control and a full risk and control assessment will be undertaken and reported on the year ending 31 March 2003. Risk management has been incorporated more fully into the corporate planning and decision-making processes of the Council.
6. The Council receives regular reports from the chairman of the audit committee concerning internal control. Each Group Head and Area Officer will be required, from accounting year 2002-2003, to provide the Chief Executive with a written statement of assurance that all systems of management and financial control are fully effective.
7. 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 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.
8. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, the Audit 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  
Date 15 July 2002

## 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 39 to 50 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 39 and 40.

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

As described on page 32 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 mis-statements or material inconsistencies with the financial statements.

I review whether the statement on page 33 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 2002 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  
National Assembly for Wales  
Auditor General for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA  
18 July 2002

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2002

	NOTES	£000s	£000s	Prior Year restated £000s
GROSS INCOME				
Grant in Aid	18	36,580		29,247
Grant in Aid applied to the JNCC Support Unit	5 & 18	628		547
Share of JNCC other income	5	121		94
Release from Government Grant Reserve	17	1,186		1,209
Income from Activities	2a	72		142
Retainable European Income	2b	64		172
			38,651	31,411
EXPENDITURE				
National Nature Reserves and Site Protection	3	4,121		4,632
Scientific and Technical Support	4	1,758		1,846
Annual Cost of the JNCC Support Unit	5	730		633
Grants Payable	6	2,777		2,625
Tir Cymen Grants Payable	7	5,101		5,461
Tir Gofal Grants Payable	8	5,226		2,229
Staff Costs and Council Members' Remuneration	9	12,159		9,576
Notional Charge - Cost of Capital		256		242
Other Operating Charges	10	5,585		4,420
Purchase of Heritage Assets	12	110		30
Depreciation	12	1,192		1,219
			39,015	32,978
(Deficit) on Operating Activities			(364)	(1,567)
Surplus on Disposal of Fixed Assets			13	12
Interest Receivable			146	167
(Deficit) on Ordinary Activities			(205)	(1,388)
Non- retainable European Income	7&8		1,460	1,845
Adjustment for Notional Charges			1,051	965
Amount surrendered to the National Assembly for Wales	11		(1,460)	(1,845)
Transfer from Reserves:	17		8	16
Surplus/(deficit) on activities for the financial year			854	(407)
Surplus/(deficit) for the financial year			854	(407)
Adjustment for JNCC Support Unit deficit			(19)	(8)
Amount transferred to retained surplus for the year			835	(415)
Retained surplus at 1 April			1,060	1,475
Retained surplus at 31 March			1,895	1,060

All activities are regarded as continuing.

The notes on pages 39 to 50 form part of these accounts

BALANCE SHEET AS AT 31 MARCH 2002

	NOTES	£000s	£000s	Prior Year £000s
FIXED ASSETS				
Tangible assets	12		2,693	2,709
Investment in the Joint Nature Conservation Committee Support Unit	5		98	85
CURRENT ASSETS				
Stock	14	8		5
Debtors	15	1,285		1,215
Cash at Bank and in Hand		<u>1,950</u>		<u>3,504</u>
		3,243		4,724
CREDITORS				
Amount falling due within one year	16	<u>(1,348)</u>		<u>(3,664)</u>
NET CURRENT ASSETS			1,895	1,060
TOTAL NET ASSETS			<u>4,686</u>	<u>3,854</u>
<b>FINANCED BY:</b>				
CAPITAL AND REVENUE RESERVES				
Government Grant Reserve	17	2,335		2,175
Donated Assets Reserve	17	40		42
Revaluation Reserve	17	318		492
Share of Provisions and Reserves of the Joint Nature Conservation Committee Support Unit		5	98	85
Income and Expenditure Reserve		1,895		1,060
Government and Private Funds			4,686	3,854
			<u>4,686</u>	<u>3,854</u>

The notes on pages 39 to 50 form part of these accounts.

Roger Thomas  
Accounting Officer  
date: 15 July 2002

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

Reconciliation of Operating Surplus to net cash inflow from operating activities

		2001/02	2000/01
	NOTES	£000	£000
Surplus on ordinary activities		(364)	(1,567)
Transfer from Government Grant Reserve	17	(1,186)	(1,209)
Depreciation	12	1,192	1,219
(Increase)/Decrease in stock	14	(3)	2
(Increase) in debtors	15	(70)	(197)
Increase/(decrease) in creditors	16	(2,316)	263
Net Annual Contribution to JNCC	5	(19)	(8)
Notional Costs		1,051	965
Net cash outflow from ordinary activities		<u>(1,715)</u>	<u>(532)</u>

CASHFLOW STATEMENT

		2001/02	2000/01
		£000	£000
<b>Net Cash (Outflow) from Operating Activities</b>			
Ordinary activities		(1,715)	(532)
Non-retainable European Income	7&8	1,460	1,845
Amount surrendered to the National Assembly for Wales	11	(1,460)	(1,845)
Amount held for surrender to the National Assembly for Wales		<u>-</u>	<u>3,100</u>
		(1,715)	2,568
Return on Investments and Servicing of Finance	19	146	167
Capital Expenditure	19	<u>(1,331)</u>	<u>(1,608)</u>
		(2,900)	1,127
Financing	19	1,346	1,626
(Decrease)/Increase in cash		<u>(1,554)</u>	<u>2,753</u>

Reconciliation of net cash flow to movement in net funds

	2001/02	2000/01
	£000	£000
(Decrease)/Increase in cash in period	(1,554)	2,753
Net funds at 1 April 2001	3,504	751
Net funds at 31 March 2002	<u>1,950</u>	<u>3,504</u>

The notes on pages 39 to 50 form part of these accounts.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Reconciliation of Operating Surplus to net cash inflow from operating activities

		2001/02	2000/01
	NOTES	£000	£000
Surplus/(deficit) for the financial year		835	(415)
(Deficit)/Surplus on revaluation of fixed assets	12/17	(174)	76
Movement in Share of JNCC Provisions and Reserves	5	13	(3)
Movement on Government Grant Reserve	17	160	417
Movement on Donated Assets Reserve	17	(2)	(2)
Total recognised gains & losses for the year		<u>832</u>	<u>73</u>

The notes on pages 39 to 50 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 - A notional capital charge reflecting the cost of capital employed is included in operating costs and calculated at 6% of capital employed.

See also 1.9 - Pension Values.

### **1.9 Pension Values**

Staff are members of the Council's superannuation scheme which is operated on a 'pay as you go' basis. The scheme is unfunded. 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. For 2001/02 the percentages were:

Salary Band	Percentage
£14,000 and under	12%
£14,001-£29,000	13.5%
£29,001-£50,000	16.5%
£50,001 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.

### **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

		Prior Year
	£000	£000
<b>a) Income from Activities</b>		
Income from National Nature Reserves	59	103
Interpretation	10	8
Research	3	5
Miscellaneous	-	26
	<u>72</u>	<u>142</u>
<b>b) Retainable Grants from the European Community</b>		
Grants from the Objective 5B Structural programme	55	125
LIFE Programme Grants	13	18
Interreg Grants	(4)	29
Other EU Grants	-	-
Repayment	-	-
	<u>64</u>	<u>172</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

		Prior Year
	£000	£000
<b>National Nature Reserves</b>		
Reserve Maintenance	1,855	2,386
Reserve Leases	26	31
Reserve Section 16 Management Agreements	255	420
<b>Section 15 Management Agreement Costs</b>		
Annual payments including Arrears to owners and occupiers	1,416	1,441
Annual & Works Costs	124	82
<b>Monitoring and Management Planning</b>		
Monitoring	47	15
Management Planning	49	3
<b>Associated Legal Costs</b>		
Public Enquiries	147	115
Legal Costs Relating to Management Agreements	85	77
<b>Other Costs</b>		
Other Activities [Wayleaves, Licences etc]	75	41
Land Agency Consultancies	50	69
Reimbursements	(8)	(48)
	<u>4,121</u>	<u>4,632</u>

### Forward Commitments on Management Agreements

As a result of management agreements concluded by 31 March 2002, commitments to continuing annual payments are as follows:

	£000	£000
In the next financial year	1,437	1,043
In years 2-5 (annually)	2,099	1,013
5 years and over.	920	359

#### 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.

	£000	Prior Year £000
Natural Science Resource Base	783	426
Cultural Resource Base	191	128
Environmental Monitoring	239	167
Science / Policy Impact Studies	200	35
Experiments in Sustainability	44	28
Research to Develop Policy	259	697
Science Data Systems Collation	71	422
Special Initiatives	-	16
Conference Costs	33	18
International Subscriptions	26	20
Reimbursements on Joint Projects	(88)	(111)
	<u>1,758</u>	<u>1,846</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 2001/02 was 13.81% [Prior Year 13.66%].

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

	£000	Prior Year £000
Ring fenced Grant in Aid to JNCC	628	547
Share of JNCC Expenditure	(730)	(633)
Share of JNCC other income	121	94
Surplus/(Deficit) for the year	<u>19</u>	<u>8</u>

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

(Deficit) for the year	19	8
Adjustment for change in funding percentage	1	(1)
Other changes to asset value	(7)	(10)
Increase in investment for the year	<u>13</u>	<u>(3)</u>
Value of investment at 1 April	<u>85</u>	<u>88</u>
Value of investment at 31 March	<u>98</u>	<u>85</u>

financed by:

Income and Expenditure account	61	41
Other Provisions and Reserves	<u>37</u>	<u>44</u>
	<u>98</u>	<u>85</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	Total £000	Prior Year £000
Management of Designated Areas	57	4	61	40
Management of Non-Designated areas	849	151	1,000	1,183
Woodland Conservation	36	35	71	40
Land Purchase	1	43	44	123
Development of Voluntary Sector	-	318	318	256
Landscape / Nature Conservation	68	172	240	192
Rights of Way	176	13	189	52
National Trails	321	-	321	435
Special Initiatives	-	333	333	311
European Development Fund	-	211	211	-
Reclaimed Grants	-	(11)	(11)	(7)
	<u>1,508</u>	<u>1,269</u>	<u>2,777</u>	<u>2,625</u>

## NOTE 7 - TIR CYMEN GRANTS

	£000	Prior Year £000
Annual Payments	4,145	3,912
Lump Sum Payments	<u>956</u>	<u>1,549</u>
	<u>5,101</u>	<u>5,461</u>

- In previous years the Countryside Council for Wales recovered from the European Union 50% of eligible costs within the framework of the EU agri-environmental scheme. As this is no longer co-financed as part of the Rural Development Plan the Countryside Council for Wales no longer seeks this reimbursement.
- Forward Commitments on Tir Cymen Agreements  
As a result of Tir Cymen agreements concluded by 31 March 2002, commitments to continuing annual and works payments are as follows:

	£000	£000
In the next financial year	4,400	3,668
In years 2-5 (annually)	1,066	2,650
5 years and over	515	965

## NOTE 8 - TIR GOFAL

	£000	Prior Year £000
Annual Payments	3,163	1,599
Lump Sum Payments	2,064	695
Reimbursements	(1)	-
	<u>5,226</u>	<u>2,294</u>

- 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 £1.460 million.
- Forward Commitments on Tir Gofal Agreements  
As a result of Tir Gofal agreements concluded by 31 Mar 2002, commitments to annual and works payments are as follows:

	£000	£000
In the next financial year	6,800	4,810
In years 2-5 (annually)	2,400	6,248
5 years and over	3,250	5,500

## NOTE 9 - STAFF COSTS & COUNCIL MEMBERS REMUNERATION

Total Costs	£000	£000
Salaries	10,221	8,015
National Insurance	624	551
Superannuation*	1,214	1,093
Net Superannuation Transfer Values	(10)	(191)
Early Retirement Costs	110	108
	<u>12,159</u>	<u>9,576</u>
Average Numbers	<u>537</u>	<u>452</u>

\*The figure includes £795,000 of notional cost [£723,000 prior year] - see Note 1.9

Staff are employed within the Council as follows :

	2001-02	Prior Year
Chief Executive and Central Office	5	7
Conservation Directorate	296	213
Countryside Policy Directorate	55	39
Science Directorate	85	73
Finance and Personnel Group	48	67
Information Management Group	37	32
Joint Nature Conservation Committee Support Unit	11	12

Council Members	£000	£000
Council members' Remuneration including National Insurance	95	83
Chairman's Remuneration including National Insurance	40	39

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:

		Prior Year
£10,001 - £15,000	1	1
£ 5,001 - £10,000	10	8
£ 0 - £ 5,000	-	4

## 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	2001 - 2002 Salary (as defined below) £K	2001 - 2002 Real Increase in pension at 60 £K	2000 - 2001 Total accrued pension at 60 at 31 March 2001 £K
D R Thomas - Chief Executive	49	See below		
Paul Loveluck - Chief Executive	-	65 - 70	0 - 2.5	30 - 35
J Lloyd Jones Chairman	-	35 - 40	0 - 2.5	0 - 5
Dr Malcolm Smith - Senior Director *	-	50 - 55	0 - 2.5	0 - 5
Dr David Parker - Director Conservation **	-	40 - 45	0 - 2.5	0 - 5
Mr John Taylor - Director Countryside Policy **	-	40 - 45	0 - 2.5	0 - 5
Mr L Warmington - Director Corporate Services	-	35 - 40	0 - 2.5	10 - 15

P Loveluck retired as Chief Executive at the end of his appointment on 3 February 2002. His salary comprised a gross salary of £65k (2000-01 £63k) and a non-consolidated bonus of £4k (2000-01 £4k). On 21 January 2002, DR Thomas was appointed Chief Executive by CCW's Council, endorsed by the National Assembly for Wales. During the period he received a gross salary of £13k. Other senior staff received a gross salary only.

The Chief Executive is an ordinary member of the Council's pension scheme. 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.

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

All of CCW's Senior Managers agreed under the terms of the Data Protection Act to exercise their option not to include ages within this disclosure.

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

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

## Pensions

Pension benefits are provided through the Countryside Council for Wales's Superannuation Scheme to whom the conditions of the Superannuation Acts 1965 and 1972 and subsequent amendments apply. This is a statutory scheme which provides benefits on a 'final salary' basis at a normal retirement age of 60. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to 3 years pension is payable on retirement. Members pay contributions of 1.5% of pensionable earnings. Pensions increase 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 pays a lump sum benefit of twice pensionable pay. Medical retirement is possible in the event of serious ill-health. In this case, pensions are brought into payment immediately.

## FRS 17 Retirement Benefits

At the date of the account, CCW staff are members of the Council's unfunded superannuation scheme operated on a pay-as-you-go basis (see Note 1.9). It is CCW's intention to join a defined contribution scheme during the 2002-03 financial year and therefore the accounting requirements of FRS 17 have been deferred until the 2002-03 account.

## NOTE 10 - OTHER OPERATING CHARGES

	Prior Year	
	£000	£000
Accommodation Costs	1,270	952
Transport Costs	124	145
General Office Costs	656	752
Purchase, Hire & Maintenance of Equipment	410	395
Training	399	182
Travel and Subsistence	511	428
Hospitality	-	-
Information Systems Development	598	534
Corporate Services General	463	265
Miscellaneous legal costs	40	44
Audit Fee	24	23
Change in Stock Level	(3)	2
Publicity/Information/Education	947	588
Prizes	-	-
Cartography	135	80
Library	88	96
Reimbursements relating to the above Services	<u>(77)</u>	<u>(66)</u>
	<u>5,585</u>	<u>4,420</u>

## NOTE 11 - APPROPRIATIONS TO THE NATIONAL ASSEMBLY FOR WALES

Non-retainable income payable to the National Assembly for Wales.

	Prior Year	
	£000	£000
European Union grants in support of Tir Cymen [see Note 7]	-	1,548
European Union grants in support of Tir Gofal [see Note 8]	1,460	297
Unused GIA in respect of Tir Gofal	<u>-</u>	<u>3,100</u>
	<u>1,460</u>	<u>1,845</u>

Due to the Tir Cymen scheme ceasing to qualify for European funding, £834k was reclaimed from Tir Cymen appropriations surrendered to the National Assembly for Wales and returned to the Intervention Board. The 834k comprised of 58k up to March 2001 and 776k for the 2001-02 financial year.

## NOTE 12 - FIXED ASSETS

	Freehold Buildings /Land £000	Equipment £000	Computers £000	Vehicles £000	TOTAL £000
<b>COST OR VALUATION</b>					
As at 1 April 2001	1,516	1,460	4,455	1,173	8,604
Additions	1	193	921	231	1,346
Disposals	-	(123)	(1,670)	(157)	(1,950)
Revaluation	(404)	-	-	-	(404)
As at 31 March 2002	<u>1,113</u>	<u>1,530</u>	<u>3,706</u>	<u>1,247</u>	<u>7,596</u>
<b>DEPRECIATION</b>					
As at 1 April 2001	291	1,132	3,744	728	5,895
Charge for the year	35	170	795	192	1,192
Disposals	-	(122)	(1,669)	(157)	(1,948)
Revaluation	(236)	-	-	-	(236)
As at 31 March 2002	<u>90</u>	<u>1,180</u>	<u>2,870</u>	<u>763</u>	<u>4,903</u>
<b>NET BOOK VALUE</b>					
At 1 April 2001	1,225	328	711	445	2,709
As at 31 March 2002	<u>1,023</u>	<u>350</u>	<u>836</u>	<u>484</u>	<u>2,693</u>

1. In accordance with Accounting Policy 1.2a, Heritage land and buildings are assigned a nil valuation. In 2001/02 the Countryside Council for Wales purchased heritage land at a cost of £110,000 which has been written off to the Income and Expenditure Account (Prior Year £30,000)
2. There are contractual commitments of £175,000 for future years (Prior Year £9,000)

## NOTE 13 - ANALYSIS OF ANNUAL COMMITMENTS UNDER OPERATING LEASES

	Land/Buildings £000	Equipment £000	Vehicles £000	Total £000
Leases which expire within 1 year	15 at 49	-	1 at 4	53
Leases which expire within 2-5 years	28 at 103	3 at 2	4 at 13	118
Leases which expire over 5 years	49 at 448	-	0	448
	<u>600</u>	<u>2</u>	<u>17</u>	<u>619</u>

## NOTE 14 - STOCK

	£000	Prior Year £000	
Publications	<u>8</u>	<u>5</u>	A/C 1211
	<u>8</u>	<u>5</u>	

## NOTE 15 - DEBTORS

	£000	Prior Year £000
Trade Debtors	727	514
Prepayments	539	409
Other Debtors	19	29
Accrued Income	-	263
	<u>1,285</u>	<u>1,215</u>
Amounts falling due after more than one year	-	-
	<u>1,285</u>	<u>1,215</u>

## NOTE 16 - CREDITORS

	£000	Prior Year £000
Payable within 1 year:		
Trade Creditors	567	3,635
Other Creditors & Accruals	<u>781</u>	<u>29</u>
	<u>1,348</u>	<u>3,664</u>

1. Other Creditors and Accruals includes £0.720 million due to the annual pay rise being backdated to 1 August 2001.

## NOTE 17 - MOVEMENT OF FUNDS

	Government Grant Reserve £000s	Donated Assets Reserve £000s	Revaluation Reserve £000s	JNCC Provisions & Reserves £000s	Income & Expenditure Account £000s	Total £000s	Prior Year re-stated £000s
Balance at 1 April	2,175	42	492	85	1,060	3,854	3781
Retained (deficit)/surplus for the year	-	-	-	-	835	835	(415)
Capital grants & donations	1,346	-	-	-	-	1,346	1626
Revaluation of tangible fixed assets	-	-	(168)	-	-	(168)	90
Transfers to Income & Expenditure account	(1,186)	(2)	(6)	-	-	(1,194)	(1,225)
Movement in JNCC Provisions & Reserves	-	-	-	13	-	13	(3)
Balance at 31 March	<u>(2,335)</u>	<u>40</u>	<u>318</u>	<u>98</u>	<u>(1,895)</u>	<u>(4,686)</u>	<u>(3,854)</u>

**NOTE 18 - GOVERNMENT GRANT IN AID**

	£000	Prior Year £000
Grant in Aid per Income & Expenditure Account	36,369	27,840
Additional Grant in Aid for Gwent Levels Wetlands Reserve	-	1,407
Additional Grant in Aid for the European Development Fund	<u>211</u>	<u>0</u>
Subtotal	<u>36,580</u>	<u>29,247</u>
Grant aid applied to JNCC Support Unit	628	547
Adjustment to cover Share of JNCC Capital Account	14	11
Government Grant Reserve	<u>1,346</u>	<u>1,626</u>
Total Grant in Aid received in year	<u>38,568</u>	<u>31,431</u>

**NOTE 19 - NOTES TO THE CASH FLOW STATEMENT**

	£000's	Prior Year £000's
Returns on Investment and servicing of finance		
Interest received	<u>146</u>	<u>167</u>
Capital Expenditure		
Payments to acquire tangible fixed assets	(1,346)	(1,626)
Receipts from sale of tangible fixed assets	15	18
	<u>(1,331)</u>	<u>(1,608)</u>
Financing		
Government Grant received	<u>1,346</u>	<u>1,626</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 and Galleries 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.