

Mid Wales 03-00(min)

Minutes of Mid Wales Regional Committee

Date: Friday 9th June, 2000

Time: 10.30 am

Venue : The Corn Exchange, Welshpool.

Attendance:

Glyn Davies, Chair	Conservative	Mid and West Wales
Mick Bates	Liberal Democrat	Montgomeryshire
Cynog Dafis	Plaid Cymru	Mid and West Wales
Delyth Evans	Labour	Mid and West Wales
Elin Jones	Plaid Cymru	Ceredigion
Kirtsy Williams	Liberal Democrat	Brecon & Radnorshire

Committee Secretariat:

Delyth Thomas	Committee Clerk
Brian Duddridge	Deputy Committee Clerk
Ian Dawes	Committee Secretariat

Apologies: Nick Bourne

Substitutions: None

Declarations of Interest: None

Opening Remarks

The Chair thanked Welshpool Town Council for the use of the Corn Exchange and welcomed Delyth Evans to her first meeting as an elected Member for Mid and West Wales.

Agenda Item 1: East Wales Objective 2 Funding:

Paper: MID 03-00(p.1)

1.1 The Chair welcomed Councillor John Thompson of Powys County Council, Chair of the East Wales Partnership, and invited him to address the meeting.

1.2 Councillor Thompson introduced Graham Davey, Director Planning and Economic Development, Powys County Council; Councillor Marion Drake, Deputy Chair Partnership and Deputy Mayor of Cardiff County Council; Jeff Andrews, Head of Service, Development of European Affairs, Cardiff County Council; Chris Johnes European Affairs Division, National Assembly; and Sioned Rees, Mid Wales Regional Development Manager Welsh Development Agency.

1.3 Graham Davey led the presentation, a copy of the PowerPoint slides is attached as **Annex 1**. His presentation focused on the areas covered by the Regional Committee. The Partnership would be making a presentation to the South East Wales Regional Committee about those areas that were covered by its remit. The area eligible for funding included both rural and urban communities, covering approximately 20% of the population of Wales. The total funding available from Objective 2 and Transitional Programme's monies, with match-funding provision, totalled in excess of £150 million.

1.5 The Partnership had worked well together to identify both shared and individual problems across both rural and urban communities. One problem common across the area was the low level of entrepreneurship but it manifested itself differently between rural and urban areas. In urban areas there was a poor level of start-ups while in rural areas the problem was one of lack of growth. This was underlined by the relatively low number of companies attaining VAT registration level in the area. The Partnership had also focused on the need to ensure sustainability of development, it would be crucial for the areas covered by the East Wales Partnership to focus on action plans that would survive any forthcoming support.

1.6 The four priorities encompassed within the Single Programme Document that were particularly relevant to Powys were:

1. developing and expanding the small and medium sized enterprise (SME)

base (urban and rural dimensions);

2. sustainable rural development;

3. urban community regeneration; and

4. technical assistance.

1.7 Priority 1 is of particular relevance to the whole of Powys; the county was second only to the Shetlands in having the lowest VAT registration base for small and medium enterprises (SME's). Priority 2 is also of great importance to Powys, it would primarily involve regeneration of and access to and for rural communities. There are also several cross-cutting issues which were embedded through out the Single Document, these included an equal opportunities dimension and environmental sustainability. No!

1.8 Mr Davey stressed the preference for implementation through local

partnership and action plans; the programme would need to link to Objective 3 mechanisms, to the Rural Development Plan and to Community Initiatives. He reminded the Committee that of the responses to the public consultation 97% agreed with the proposed strategic areas of intervention and the objectives of the programme.

9. Points raised in discussion included:

- how would measures to promote sustainable development link to rural projects funded by the Welsh Development Agency (WDA) and through

Objective 3;

- could Objective 2 projects benefit in any way from Objective 1 funding;
- the need to evaluate, concentrate and co-ordinate progress throughout all the schemes available;
- what impact would Objective 2 funding have on Tier 3 funding;
- how important it was to pay particular attention to all equal opportunity issues, not forgetting provision of affordable child care and the training and development of women who have returned or wish to return to work;
- concern that rural areas would receive only 40% of the funding required from the main programme;
- how would local energy schemes be developed and supported within communities and what benefit would they receive;
- that local energy schemes should not impede progress on sustainable alternative energy which was absolutely crucial to the move away from fossil and nuclear fuel;
- to ensure the effective use of resources in education and training, what performance indicators would be used to identify plans to retain or attract young people within the designated areas, there did not appear to be any included in either the Objective 1 or 3 Documents;
- how could the programme ensure that young people in Meirionnydd and Ceredigion could be 'tracked'; and
- how had the document arrived at a target of 820 small businesses for VAT registration.

1.10 Funding earmarked for Objective 1, 2 and 3 initiatives would need to be spent within their respective programme areas; , however where transport and information technology, for example, were concerned, the cross-over of boundaries was inevitable. Mr Davey had met the previous day with others involved in taking rural programmes forward and was confident that synergy with bodies like the WDA could be achieved. The WDA and local authorities would need to ensure an integrated approach on such issues as community regeneration. At county level it was important to create and maintain local partnerships, in Powys the intention was to follow the example of Ceredigion by setting up a management board to co-ordinate the work of the Powys Regeneration Partnership.

1.11 Other grants were available as part of tier 3 funding, these included regional selective assistance in Gwynedd, Ceredigion, Ystradgynlais and the Dyfi Valley; the remaining Mid Wales Development Grant; the Enterprise Grant Scheme as designated by the Department of Trade and Industry was available across the border in Hereford and Shropshire; there was a need for a replacement grant scheme in Wales.

1.12 Equal opportunities would be addressed in all its aspects - including child care, training, ethnicity, through the medium of Welsh, information technology and sustainability. Accessibility to and by one car families and families without private transport in rural areas would also be addressed. With regard to the percentage of population with access to funding it was pointed out that 20% of the population of Wales would be eligible for Objective 2 and Transitional funding.

1.13 The Single Programme Document had shown only the headline priorities, within these, at programme complement level, performance indicators to measure outward migration and the retention of young people would be covered in some detail. Youngsters would be tracked as they left school and recorded in a computer-based project. An information and communication network would be introduced to try to attract young people back to rural communities.

1.14 The Powys Energy Agency had been established to promote energy conservation and small-scale local energy renewable schemes, these would be funded through Objective 2. Presenters acknowledged that there were problems with establishing alternative energy schemes in rural areas, the wording of national policy guidance was not always sympathetic to achieving local economic development. The National Assembly should review the current planning guidance.

1.15 Targets as measures of attainment were set by European Community regulations based on a mechanistic formula. The target of 820 VAT registrations, for example, was linked to the resources being made available. The formula took account of the fact that rural and urban areas would not generate the same output. In rural areas, where start-

ups were slow, there were a lot of one-person businesses, a strategy using information technology to develop and sustain new markets would help establish new areas of expertise. Of the strong business support initiatives in mid Wales, four were in Powys covering a population of some 120,000. They generated four individual business client sessions per annum but few businesses grew to VAT registration level and too few knew about Business Connect. Objective 2 status and funding would hopefully promote the market and increase take-up.

1.16 The Chair thanked presenters for a very helpful explanation of the background to the Single Programme Document. He was keen for the Committee to offer constructive support to the programme. He asked that the Partnership prepare a brief on the 'Tier 3' issue for the Members to help their understanding of the problem and consider how they could best take it forward. Graham Davey agreed to set this in hand.

Agenda Item 2: Dwr Cymru/Welsh Water

2.1 The Chair welcomed Dr Mike Brooker, Managing Director of Dwr Cymru, Bob Evans, Strategy Manager and Wendy Hamer-Cooke, Communications and Contracts Manager.

2.2 Copies of Dr Brookers' presentation were distributed to Members, a copy is attached as **Annex 2**. Investment over the past 10 years had been £2,300m, a further £1.100m would be invested over the next 5 years. At the present time water quality in rivers was high due to both natural geography and to improvements. Also there had been improvements to major beaches in Wales, 75 had reached the European guideline standard, an additional 22 beaches along with 6 marinas had received 'blue flag' status and 22 green coastal awards had been awarded.

2.3 There would be further improvements to water mains and water treatment works, storm overflows, sewerage treatment and related works. The area covered by the Committee was mainly served by the Severn-Trent Water Authority who would be responsible for some 2,230 km of water main replacement over the next 5 years. Investment in mid and west Wales area of Dwr Cymru would involve expenditure of over £29m, key investment projects in Ceredigion, Brecon and Radnorshire were listed. Projects were also listed for Meirionnydd Nant Conwy and Montgomeryshire, where the water supply was provided by Severn Trent Water,.

2.4 Points raised in discussion included:

- in preparing its scheme of work had the organisation consulted with other parties interested in tourism, economic and environmental regeneration;
- whether the investment plan was subject to the proposed take-over of Dwr Cymru;
- how were decisions made on which beaches received the 'blue flag' of approval, were local authorities involved;
- whether the possibility of accessing Objective 1 funding or other European funding to

improve standards of beaches had been explored and whether Dwr Cymru were able to match fund Objective 1 monies;

- had the effect on low income families of moving to a metered supply been explored;
- how would the further 180 km of mains water investment in Brecon & Radnorshire be identified;
- whether Dwr Cymru had plans to increase the leisure use of its assets and was there the possibility of using this as a basis for Objective 1 projects with Dwr Cymru match funding; and
- what were the problems with provision of storm water facilities and was there any investment in remodelling to cater for climactic change.

2.5 The presenters confirmed that in preparing the scheme of work they had consulted with interested parties including the Environment Agency. Although the Managing Director could not speak for any prospective new owner of Dwr Cymru, the licence issued to Dwr Cymru by the Regulatory Authority related directly to their investment programme.

2.6 The Environment Agency, local authorities and others bodies were consulted on projects to improve the quality of water in rivers. The question of blue-flagging beaches was closely allied to the tourist industry, hence the involvement of local authorities in the process. Where there might be scope for Objective 1 funding this would be explored, but the current understanding was that Dwr Cymru could not under the rules of Objective 1 match fund schemes relating to water quality, provision and sewage.

2.7 On the question of water charging and metering it was Government policy to offer free meters with the option for householders to revert within twelve months. Dwr Cymru recognised the need for freedom of choice but there were costs associated with installing meters which included pipe supply and maintenance costs. The Regulator would take account of these costs and charges and how changes to the method of supply would effect water companies. The more water meters that were installed the balance of charges to the customer would need to be redistributed. Dwr Cymru would look to the National Assembly to support a wider tariff of charges within which there was support for vulnerable households.

2.8 Improvements to water supply and sewage treatment were prioritised by need and cost to ensure a staged implementation to reduce costs. Any complaints about water quality were dealt with swiftly. Recreational use of water facilities was not run on a profit generating basis but Dr Brooker would look into the suggestion regarding the possibility of match funding Objective 1 projects linked to recreational use of Dwr Cymru's assets. Data on climatic change - using actual rainfall figures over the past ten years - was gathered and studied by means of model simulation. There would be obvious cost implications in trying to predict the effects of storm weather, costs which would have to be passed on to consumers. It would not be sound practice to address need on the

basis of a one-off event. Certain containable levels of storm were all that could reasonably be catered for.

2.9 The Chair thanked Dwr Cymru for their presentation.

Agenda Item 3: Public Presentations

3.1 The following presentations were made:

Subject	Organisation/Speaker
Restoring the Wye River Habitat	Ian Lyndsay
Sustainability : an Education Programme for Aberystwyth	Mike Underwood, Chief Executive, Biognosis
Biofuels	David Balfour, Chief Executive
Timber Growers Association	George Johnson and Pat Bourdillon

3.2 Where available copies of the presentations as delivered are attached as **annexes 3 - 6**.

Agenda Item 4: Minutes of the last Meeting

4.2 The minutes were accepted with the adjustment to those present to reflect Nick Bourne's absence.

(Annexes 1 and 2 not transferable to the Internet)

Annex 3

Wye Habitat Improvement Project

Ian Lindsay, Project Manager

BACKGROUND AND OBJECTIVES

Launched in May 1998 and with a budget of £1.1 million the Wye Habitat Improvement Project (WHIP) commenced major river habitat improvement across 60 km of Upper Wye Tributaries. Trout and juvenile salmon stocks in these rivers have declined dramatically over the past 20/30 years and through the restoration of historic wild brown trout populations, the project aims to demonstrate how a direct income and capital value can be achieved for the local upland

farming community from the restoration and future sustainable management of the river habitat.

The widespread collapse of the Wye salmon and trout fishery is a current, vivid reminder of the real commercial value that productive fisheries once brought to the local rural economy. Low levels of juvenile recruitment resulting from impoverished habitat is cited as a major factor in this decline and there is an urgent need to demonstrate the benefits of river habitat improvement to farmers and landowners to restore the value of these fisheries.

In upper tributaries, beyond the limit of salmon angling, it is through the revival of brown trout populations that real benefits can be conferred on local farming communities. Such a revival would see benefits in increased tourism and provide an independent value to underwrite the management of an increasingly valuable wildlife habitat.

Widespread problems of river habitat loss - damage from livestock access and extensive unmanaged alder growth are being tackled directly by project staff through a large scale programme of stock fencing and coppicing. Approximately 25 km of river has been completed since September 1998 by a 9-strong fully trained and equipped habitat team, drawn from the local farming community.

An extensive scientific monitoring programme is funded in respect of fish populations (1 full time scientist) and a wide range of other species particularly those of BAP and SAC status (1 full time, 4/5 MSc students per annum).

Negotiations for access with farmers/landowners and statutory licensing in respect of felling authority, ESA, SSSI and other authorities is led by a professional Land Agent with general administration and project organisation managed by a Project Manager and Support Officer.

For 30 years and against a background of HLCA headage-based subsidies stocking densities of both sheep and cattle have increased dramatically throughout the Wye catchment. This has resulted in widespread damage to historically unprotected river habitats, with high levels of siltation, bank destruction and erosion with loss of instream, marginal and bankside vegetation. Coppice management of bankside alder growth once supported by the demand for charcoal, clog-making and domestic fuel no longer occurs, resulting in extensive shading by outgrown, even aged alder growth. Through large areas of the river catchment this has resulted in significant habitat loss in respect of fish and a wide range of other wildlife species designated under Biodiversity Action Plans and EU Habitats Directives.

In seeking to achieve for farmers financial benefits from the sustainable development and management of an important wildlife habitat, several major areas of conflict with current agricultural policy have been identified. This can currently produce major financial disincentives to farmers wishing to protect sustainable wildlife habitats outwith current agri-environment schemes.

SCIENTIFIC MONITORING

The primary objective of the WHIP fisheries monitoring programme, is to demonstrate the impact of habitat improvements (fencing and coppicing) on juvenile salmon (*Salmo salar*) and brown trout (*Salmo trutta*) populations. This work is concentrated on one of 4 project tributaries, the Clywedog Brook, which is approximately 16km in length and flows with a moderate gradient, in a southerly direction, until it meets the Ithon (major Wye tributary) near Crossgates.

Method

Following negotiation with farmers to join the project the Clywedog was divided into upper and lower river. The upper part (mean width 2m) is heavily grazed with little shading, the lower part (mean width 7m) is heavily grazed and densely shaded. Both areas were divided into sections i.e. fields with equal boundaries on either side, and management prescriptions were randomly applied to each of the 36 sections.

Annually, between July and September 1998, 157units (7500m) are sampled using a quantitative electrofishing technique. In the first year, 100% of 24 sections were sampled and 70 - 80% of 12 sections were sampled. This gave us a baseline with which to compare in future years.

PROGRESS

Since 1998, the first of 4 targeted tributaries has been completed (18 km). Activity on a second is well progressed with initial consultations and permissions on a further 2 complete.

Within the objectives of EU structural funding, dissemination of results and management techniques are focused principally within the local farming/angling community to attempt to enhance capital and income benefits of restored habitats and fish populations.

Wider dissemination/synergy with other river catchments/groups in the West and South West where similar habitat problems are evident is ongoing, through meetings, Project newsletters, the media and scientific press.

Particularly in areas outwith environmental designations, severe limitations presently exist for current agri-environmental schemes to achieve significant catchment-based river improvement. It is evident that there is a critical necessity to achieve individual farmer support through the creation of direct benefits arising from river and other habitat improvement.

Compared to statutory agencies and schemes, the extent to which local river groups or

trusts can achieve a much higher level of "value for money" - river habitat improved per pound spent - is a unique factor which has helped to make the project as successful as it has so far been.

Only by achieving a wider awareness and recognition of the extent of SAC/BAP and EU Habitats Directives designation within many river habitats and seeking a higher profile of river habitat restoration within statutory conservation schemes, will projects like the Wye Habitat Improvement Project succeed.

Annex 4

Not available yet

Annex 5

BSW TIMBER plc - PLANNING APPLICATION FOR AN INTEGRATED TIMBER PROCESSING SCHEME AT NEWBRIDGE-ON-WYE

Background

The Newbridge Sawmill was built in 1980 and has integrated well into the community, employing all the 100 strong workforce from within a 15 mile radius. We believe that it has brought income and wealth to Powys and, over the last twenty years, has put £200 million into the Welsh economy.

When it was built, it was the most modern sawmill in the UK but technology has moved on and the original investment is nearing the end of its life. There is now more competition from imported timber which, with the current strength of the pound, is particularly fierce.

BSW has investigated, on a world-wide basis, the most modern processing technology and now wishes to upgrade the site so that it can compete in the world market place.

The proposals are for a State of the Art computer controlled sawmill that will be equal to anything in Europe. The Scheme involves expansion of the sawmill, new kilns, new wood treatment facility and a combined heat and power installation fuelled by wood.

The quantity of electricity produced by the Scheme is equal to the consumption by 30,000 homes.

Rationale behind the Scheme

- Throughput is increased to achieve economies of scale, resulting in reduced cost and protection of our market position.
- More added value operations on site to differentiate our product in the market place.
- It is imperative to have new markets for timber products, as some established markets are under pressure from recycled fibre and over capacity (chipwood, newsprint).
- The power generation element provides an additional value to forestry and harvesting operations and provides a new secure market for co-products.
- The combined heat and power will provide renewable energy that will give the site a competitive advantage.
- The climate change levy will not be applicable.
- On a national level, the use of renewable fuel resources will decrease dependency on fossil fuel, reduce carbon emission and assist with the global warming objectives of Government Policy.
- The Scheme has the benefit of a Government NOFFO Power Purchase Contract.
- Fuel will come from coniferous and deciduous forests as well as co-products from other forests.
- Use of material with deciduous wood will enable pro-active management from existing woodlands as well as recommencement of coppicing.

Candidly, without this new investment the site has a limited future due to the relentless pressure of competition from elsewhere in the UK and imported timber.

Local Issues

Proper understanding of the Scheme has been bedevilled by much misinformation.

More than 3,300 locals have signed a petition supporting the Scheme.

The power generating element has been the main area of concern, along with emission and traffic.

The power station has been scaled down from the previous application, to 15MW from 22MW.

The plant will only be operational to burn wood: there is no question of it burning tyres, domestic refuse or mad cows!

Exhaustive modelling of emissions has taken place and there is no impact on human health or nature conservation interests. In any case, the Environmental Agency will exercise strong control over the site and it will be subject to a rigorous monitoring and enforcement regime.

Traffic movement will increase but the Company has done everything to minimise movement by back loading and better utilisation of the fleet. Fossil fuel used by the transport fleet in trafficking wood fuel to the site is equivalent to less than 3% of the electrical energy generated by the plant.

Apart from protecting the current 100 or so jobs there will be 35 new jobs plus an additional 220 jobs in harvesting and transportation activities, plus any local economy spin-off.

The integrated timber processing plant in the opinion of some locals could form a tourist feature in its own right, so its impact on tourism will be negligible.

Conclusion

To sum up, the proposal uses sustainable Welsh resources and adds value for Wales. This Scheme will allow Wales to grasp the opportunity to develop a vibrant commercial forestry sector. Wales is very well placed to do this as it is close to a very large market in the South of England and has the land and climate to grow our quality conifer timber that is sustainable and can deliver multi benefits to the community.

DAVID J BALFOUR

CHIEF EXECUTIVE

BSW TIMBER plc

9 June 2000