

Countryside Council for Wales

Annual Report and Accounts 2012-13



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Preface

In endorsing the final Annual Report of the Countryside Council for Wales (CCW), I am aware of passing over much more than just our Accounts for the financial year 2012/13.

Over our 22-year lifetime CCW has played a key role at the interface between the human society of Wales and its natural environment. We have achieved many successful outcomes, devised many innovative solutions and, with our partners, carried much of our natural capital over the threshold of a new century. Wildlife and landscape assets have responded well to CCW's management and the legal protections afforded them, and the natural resources we inherited on our founding in 1991 are being handed over in good shape to our successor body, Natural Resources Wales.

The legacy of CCW's work can be seen all over the Welsh landscape, and we have sustained the effort throughout our final year. From the newly opened footpath around the coast, the species afforded protection through site designation, to the well-managed 'jewels in the crown' which are our national nature reserves on land and at sea.

Nature is under pressure from human activity, and the global trends of climate change and loss of biodiversity are alarming. But nature is also resilient, and the interaction of people and place is embedded in Welsh culture and history. The expertise of CCW's staff in engaging with communities will help build a shared vision for the future of our natural environment. Informed by the scientific knowledge that we pass on, governments are more likely to make the right decisions.

Development doesn't have to be at the expense of the natural world. Our most valuable industry, tourism, depends on the quality of our finest landscapes and seascapes - our biggest economic assets as a nation. Landscape is the stage on which we act out our daily lives, and the place we see and feel the beauty of nature at first hand. The gentle but persuasive education work at the heart of CCW's mission has helped a generation understand its heritage better.

So we pass the baton to Natural Resources Wales. We put faith in those who follow us to carry the baton with pride and to respect the journey it has been on. CCW makes way for NRW with optimism for the future, passions for the environment and commitment to public service.

This final Annual Report of the Countryside Council for Wales is my last opportunity to thank all staff and Council members who have been its human resource for over twenty-two years. Special thanks to our Chief Executive Roger Thomas, who led the organisation with optimism, energy and integrity and who successfully garnered the energies of the staff to achieve some truly outstanding results.

Morgan Parry, Chair, Countryside Council for Wales

Annual Report and Audited Financial Accounts for the year ended 31st March 2013

Introduction and background

History of the Body and Statutory Background

The Countryside Council for Wales (CCW) was established in 1991 and was primarily funded by the Welsh Government. Our purpose was to:

- Promote the conservation of the natural environment and the enhancement of natural beauty.
- Encourage recreation and enjoyment of the Welsh countryside.
- Advise Government on all matters relating to the countryside and nature conservation issues.

From 1st April 2013, Natural Resources Wales (NRW) took over the functions currently carried out by the Countryside Council for Wales, Forestry Commission Wales and the devolved functions of Environment Agency Wales.

Our vision

CCW strived for a Wales that had a wealth of wildlife and geology, distinctive landscapes and plentiful opportunities for all people to appreciate and benefit from the natural environment. Our vision was for a country where everyone acts in ways that safeguard the natural environment, both on land and at sea, because they understand its importance in providing:

- Sources of food energy, water and other raw materials.
- Opportunities for employment and recreation.
- Habitats that support a diverse and abundant wildlife and a source of geological riches.
- A means of accommodating and adjusting to the impacts of climate change.

CCW was proactive in providing advice, encouraging and enabling others to take action. At the heart of our work, at all times, was the understanding that the natural environment is fundamental to the well-being of society.

Principal activities

The Countryside Council for Wales was the Welsh Governments' statutory advisor on sustaining natural beauty, wildlife and the opportunity for outdoor enjoyment in Wales and its inshore waters. We championed the environment and landscapes in Wales and our coastal waters as sources of natural and cultural riches, as a foundation for economic and social activity and also as a place for leisure and learning opportunities. Our aim was to make the environment a valued part of everyone's lives in Wales.

We strove to achieve our aim by:

- Advising Government and its agencies as well as other groups, communities and individuals to ensure our land, seas and inland waters are used widely in a way that respects both the needs of people and the environment.
- Enabling individuals, organizations and authorities to learn more about our environment, to use it with care and to help manage it for the benefit of people and its natural features.
- Enthusing different audiences about the wonder and importance of our environment, the work that takes place in caring for it and the opportunities it provides for us.
- Regulating activities which are critical to maintaining a healthy and rich environment.

Our strategic aims for 2012-13 were as follows:

- To safeguard and improve the quality of our wildlife habitats, our species, geology and landscapes and the natural systems that support them and ourselves;
- To ensure the value of the environment and the functions it performs are better understood, and that these are taken into account more fully when making decisions that affect our lives.
- To enable more people to have direct experience of the outdoor environment and to play an active part in its management.
- To refine and strengthen our own systems of governance and internal control, streamlining systems and collaborating with others to achieve shared outcomes effectively and efficiently.
- To support ongoing Welsh Government led activity to establish Natural Resources Wales by 1st April 2013.

These strategic aims were intended to contribute towards important long term outcomes that would make a real difference to the environment and people of Wales. Our work over the period 2012-13 was strongly influenced by the need to respond to the Welsh Government's strategic agenda, which is set within the framework of the developing Living Wales Programme and also the developing legislative agenda including the Sustainable Development Bill, Planning Bill and Environment Bill. Specifically, our work was scoped to support the delivery of key policies and strategies at a local level, including the Environment Strategy for Wales; Rural Development Plan; Single Integrated Plans, and to support Local Service Boards.

In the most recent Corporate Plan (2012-13) the following areas were identified by CCW as being key to the successful delivery of these aims:

Evidence and Advice

Our work would be based on robust evidence which we used to provide clear and objective advice. Building the environmental evidence base was vital for the delivery of CCW's remit as environmental advisors to the Welsh Government and others. Our evidence work would support our day-to-day operations and core CCW functions, in particularly achievement of biodiversity and geodiversity targets; informing casework practices and decisions; providing monitoring data for conservation site condition assessments and selection; providing understanding of the contribution the natural environment makes to human well-being and economic growth; and informing the prediction of, and adaptation to future environmental change.

Ecosystem Services – the building blocks of sustainable development

In implementing the Ecosystem Approach to Sustainable Development, as set out under the United Nations Convention on Biological Diversity, CCW worked to protect and enhance Wales' natural capital. We did this by contributing to the development of spatial tools and natural resource management planning and by developing new approaches of working with stakeholders, ensuring that ecosystem needs are taken into account in wider decision-making.

Integrated Action for Sustainable Development

Sustainable Development is the central organising principle across the Welsh Government. CCW worked to support the developing approach to delivery of Sustainable Development in Wales, supporting activities to mainstream the necessary changes through the Government's legislative programme. Our overall goal was to provide a new sense of common purpose around Sustainable Development across the public sector in Wales and beyond, engaging with both the private and third sectors. CCW was a key contributor in driving this agenda forward.

The Marine Environment

CCW would provide advice on the Welsh suite of Marine Protected Areas, including the need for Marine Conservation Zones and would work with others to support the delivery of future management and monitoring of our protected sites.

Biodiversity and Geodiversity

We would direct resources towards achieving priority biodiversity action through the Wales Biodiversity Partnership (WBP) at a Wales and a local level, and continue to offer support for the delivery of priority biodiversity action by other organisations. Working with the WBP we would contribute to the evidence base, and assist in the development and delivery of the Ecosystem Approach, securing greater benefits for biodiversity and for people, including improving links with the health and well-being agendas.

Special Sites

Protected sites, comprising nationally and internationally designated wildlife sites, are an important component of the Welsh environment and a significant element of the evolving Natural Environment Framework. Protected sites are areas which are protected for the purpose of nature conservation. Sites are designated based on the natural features they support (i.e. species, habitats, and geological features) – especially those which are the best examples, the most highly concentrated, or of the ‘greatest value’ to conservation. Often, in practice, these are also the rarest or most threatened. Protected sites include Sites of Special Scientific Interest (SSSI) which cover approximately 12.5% of the land area of Wales. SSSI are the most important sites for Wales’ natural heritage. They are highly protected to safeguard the range, quality and variety of habitats, species and geological features in all parts of Wales. 72% of the area of SSSIs also support wildlife and habitats of international importance and have additional international designations.

Through our special sites actions database we worked with partners to secure appropriate management of designated sites. This included ensuring our partners are informed of site management needs, and that they had opportunities to discuss, understand and prioritise their actions.

We also worked with others to ensure that Local and National Nature Reserves (LNRs and NNRs) became examples of best practice in conservation management and that they offered opportunities for communities to be involved in their use and management. As part of this, we strove to develop high quality information about NNRs and help other organisations to promote their reserves effectively and sensitively for the benefit of visitors and local communities.

Glastir Scheme

CCW would continue to advise and provide evidence to the Welsh Government on the development and roll out of Glastir, more commonly called Glastir All Wales Element (AWE), Glastir Targeted Element (TE), Glastir Advanced, Glastir Woodland Creation, Glastir Woodlands Management, Glastir Commons and Glastir Efficiency Grants. In particular, we would seek to ensure that the scheme provides maximum benefit in terms of biodiversity, landscape enhancement, recreational opportunities, water quality, flood risk and the management of soil carbon. CCW has consulted on individual Glastir proposals affecting SSSI, Special Areas of Conservation (SAC) and Special Protection Areas (SPA) and issuing consents for work which protected and preferably enhanced these sites. Until such time as a new Phase 1 map for Wales is available, CCW would also continue to respond to consultations on Woodland Creation proposals where these affect Habitat Action Plan Priority Habitats. Where requested, we would also provide training, written guidance and site specific advice to assist those Welsh Government staff involved in the preparation of contracts under Glastir Advanced.

Areas of Outstanding Natural Beauty

CCW worked in partnership with the local authorities to ensure that all five Areas of Outstanding Natural Beauty (AONB) in Wales were fulfilling their legal purpose to conserve and enhance the natural beauty of the area. Action to manage the special qualities of the landscape as guided by their statutory AONB Management Plan, supported by their Joint Advisory Committee and CCW's grant partnerships.

During this period CCW provided revised guidance on the production of the AONB management plans to enable local authorities to undertake the statutory review of management plans as required under the S89 Countryside & Rights of Way Act (2000). This facilitated a move towards natural resource planning and managing ecosystems to address key challenges including climate change, landscape change and biodiversity loss. Within the framework of the Welsh Government's forthcoming Designated Landscapes Policy Statement, CCW continued to support the AONB management of these nationally important landscapes and the delivery of the Welsh Government's priorities through the provision of advice and grant partnership support, together with the management of the Sustainable Development Fund on behalf of Welsh Government.

Energy and Infrastructure

CCW had an important role to play helping deliver renewable energy development and achieving low carbon energy goals whilst ensuring our duties, obligations and priorities in relation to conserving and enhancing the natural heritage and natural resources of Wales were met within the overall context of Sustainable Development.

We continued to give a high priority to working proactively and strategically with Government, regulators and developers, being clear what is important to us and why, sharing knowledge, evidence and our experiences.

As part of this encouraging, we also contributed to spatial and strategic planning approaches and early engagement with developers to find positive solutions to get the right development in the right place and, at a project level, to identify, mitigate and resolve environmental issues.

Access, Participation and Learning

We completed the decadal review of Open Access mapping, also continuing to build on the work of developing and promoting access around the coast of Wales in ways that will benefit people, communities and wildlife.

In addition to these initiatives we continued our work to help provide and promote high quality access opportunities across Wales. This included providing access to information that enables people to enjoy, learn about and get involved in managing our natural environment and landscapes.

A key part on this work was to continue to work with others to increase the quality, quantity and use of urban Greenspace, aiming to strengthen ecological networks as well as enabling more people to enjoy and benefit from their local natural environments. We worked with other organisations to help all children in Wales enjoy direct, outdoor experience of the natural environment within or in the vicinity of their school grounds, as well as providing young people and families more generally with resources and opportunities that would help them connect with and learn about the natural environment. We also supported the development of initiatives to enhance professionalism, to promote skill development and facilitate skill sharing within the environmental sector. We also aimed to strengthen links with a range of educational establishments by collaborating on research, development of learning resources and work placements.

Whilst continuing to work with current and new partners within the environment sector we also wished to broaden our collaboration with other sectors building on our experience of delivering projects, such as the Communities and Nature and the Wales Coast Path projects, as well as our involvement with initiatives such as the process of developing a Single Integrated Plan for Local Authority areas.

External Funding and Grants

A key element of CCW's approach was our commitment to work in partnership with public, private and voluntary organisations in a bid to further our collective goals.

Our grants were intended to act as a catalyst and we looked for grant projects that developed, piloted and demonstrated, as well as delivering immediate benefits. Whilst we worked with our key grants partners to ensure that we could offer longer term grants, we also invited applications for one year grants.

As part of this work, our External Funding Team also sought to continue to increase the money going into environmental actions in Wales, and to influence funders and policy makers to make funding opportunities available. Through a new EU funded project, we planned to work with others to create a strategic, prioritised, costed programme for Wales' European protected wildlife site network. The programme was aimed to establish priorities for the period 2014-20, providing a platform to seek funding for Natura 2000 (N2K) related projects, and to integrate N2K funding into other financial instruments and policy areas.

Support to the Living Wales Programme / Establishment of Natural Resources Wales

During the financial year 2012-13, CCW contributed a significant amount of staff time in support of the Living Wales Programme – the programme was established to deliver the essential preparatory work to set up and deliver the new Natural Resources Wales organisation on 1 April 2013.

All these areas were reflected in the remit letter issued to CCW by the Welsh Government in 2012-13.

How we organised our work

Through its research work, CCW played an important role in gathering evidence about our natural environment and impacts upon it. Our databases and information technology helped improve the timeliness and accuracy of future monitoring, thereby helping to increase the effectiveness of actions taken.

CCW used its knowledge to inform the policies of a wide range of other bodies and organizations and to advise on spatial plans and strategies so that future economic development protects and enhances the natural environment. As an enabling and proactive organization CCW had a key role in delivering major conservation, recreation and learning initiatives and in reducing its carbon footprint. It was also increasingly focussed on supporting ways of managing whole landscapes and their underpinning ecosystems for the protection and enhancement of our natural environment, and for the delivery of vital services to human communities.

Delivering long term outcomes

Our work, organised under three programmes, contributed to delivering Government priorities and the following outcomes, which are identified in the Environment Strategy for Wales:

- People in Wales recognise and understand that there is a relationship between the quality of the environment, the provision of jobs and business opportunities and overall quality of life.
- Environmental considerations are fully integrated within all policies, programmes and service delivery. Decisions are based on high quality, consistent evidence and on sustainable development principles.
- Developments and the use of resources in urban, rural and marine areas are appropriate and sensitive, respecting ecological limits and landscape distinctiveness and taking account of climate change and quality of life challenges.
- Wales successfully demonstrates the contribution that a small developed nation can make to global sustainable development.
- Soil and water resources are able to support diverse, productive ecosystems and a healthy population.
- Loss of biodiversity has been halted and we can see a definite recovery in the quality and extent of our key habitats and species populations.
- Important sites and the wider environment are better able to support biodiversity and are managed in a way that recognises ecological limits and provides for greater connectivity between habitats.
- The character, quality and diversity of Wales' natural and historic landscapes and seascapes, including their geological and earth science interest, are maintained and enhanced.
- More people from all sectors of society are regularly using and benefiting from widespread and equitable access to countryside, coast and urban green space.
- Wales' key sites, species and landscapes are highly valued by its citizens and visitors.
- More people in Wales are actively involved in managing their local environments.

- The role and responsibility of public organizations in delivering joint action is clear and well understood, leading to better integration for the delivery of environmental protection and enhancement.

CCW believed that the use of programmes was the best way to manage our activities in delivering Corporate Plan outcomes and this was our approach. Each of the three programmes included a mix of significant projects and the routine operations that contributed towards achieving the strategic objective for that programme which were split into day job activities and change improvements projects. The programmes were focused on planning, governance and performance management.

Our three programmes over the last year were as follows:

Action for Wildlife and Landscapes

The focus of this programme was to safeguard and enhance Wales' natural environment and distinctive landscapes, both within and outside of protected areas (i.e. conserving and enhancing Wales' green and blue infrastructure).

Action for People, Economy and Environment

The focus of this programme was to integrate social, economic and environmental outcomes, and to realise the health and well-being benefits of the natural environment through encouraging more people to experience, enjoy and learn about it, to understand and value these benefits and to become actively involved in helping to care for it.

Managing for the Future

The focus of this programme was to ensure that we had the right structure, systems, processes and resources in place so that we could be a high performing and well respected organisation at all times. Because of the planned move into NRW, the 2012-13 programme of work was deliberately focused on work that fitted with NRW development plans.

Highlights 2012-13

Wales Coast Path

May 2012 saw the launch of the 870 mile long Wales Coast Path, the world's longest continuous path around a country's entire coastline. To coincide with this achievement, coastal Wales was chosen by Lonely Planet as the No. 1 region on the planet to visit in 2012.

Starting in the outskirts of Chester in the North, the path winds its way through stunning and ever changing scenery to Chepstow in the South opening up parts of the coast previously inaccessible to the public. When combined with Offa's Dyke Path National Trail you can walk the entire circuit of Wales, over 1000 miles truly allowing you to 'discover the shape of a nation'.

Three main events were held to officially declare the Wales Coast Path open on 5 May in Cardiff Bay, Aberystwyth Promenade and Flint Castle. Other celebratory events continued throughout the spring and summer involving local communities and a wide range of groups and organisations. It is estimated that the press coverage of the Path and opening has been worth an equivalent of over £2.5 million in advertising. Much of this publicity has been overseas, especially in the USA, where the Path has been featured in publications such as The New York Times, Chicago Tribune, Boston Globe and National Geographic, helping to put Wales firmly on the tourist map.

As with any long distance path, the Wales Coast Path has already started to attract people attracted to the challenge of completing the whole thing. Led by Arry Beresford- Webb, an employee who completed the Wales Coast Path and Offa's Dyke Path National Trail in just 42 days, and Dave Quarrell who completed the whole distance in a more leisurely 83 days, there are a growing number of 'Perimeters', who have completed the entire 1047 miles circuit around Wales, and 'End-to-enders', who have finished the Wales Coast Path.

However, it's not all about rucksacks and walking boots. The Wales Coast Path gives access to a wide variety of activities. It leads to fascinating heritage sites and explores Welsh culture while constantly offering stunning views set against breathtaking backdrops, from the soaring heights of Snowdonia to the rolling hills of Pembrokeshire.

The Path has been developed to offer access for people with mobility problems and families with buggies wherever practicable. It aims to attract new and returning visitors, as well as local people, to explore the different areas along the Path, and to reap the benefits of getting active and taking in the fresh sea air. A recent study into the economic impact of the Wales Coast Path by the Welsh Economy Research Unit at Cardiff Business School estimated that over 2.8 million people used the Path between October 2011 and September 2012, including 1.6 million day visitors. This level of usage is said to be worth £16 million of value added to the Welsh Economy, a welcome boost to our coastal communities.

As time goes on it is anticipated that the Path will continue to attract more visitors to coastal Wales, which will in turn increase this benefit to local economies. This is great news for coastal businesses, great news for tourism and great news for the economy as a whole.

The Path has been developed and funded in partnership by the Welsh Government, CCW, the coastal local authorities and National Parks as well as the European Regional Development Fund. Additional funding has been made available by Welsh Government to continue development and improvement of the path for a further 2 years. During this time we will be working to improve the alignment of the Path wherever possible, increase its overall standard, work with Visit Wales to ensure the Wales Coast Path is at the heart of their publicity, in order to continue to attract new visitors to the Welsh coast, and work more closely with communities to encourage their use of the path as a local resource and ensure the economic benefits of the Path are realised.



Llanddwyn Island, Anglesey

Come Outside – Big Lottery Fund

On 7 August 2012 Big Lottery Fund (BLF) awarded CCW a grant of £607,265 over 3 years as part-funding for the Come Outside! Programme. CCW, FCW and WG departments, Regeneration, and Environment and Sustainable Development have committed a further £550,000.

Come Outside is an innovative approach which increases participation levels in outdoor activities delivering health and social benefits for people most in need. Developed from sound evidence, this £1.1 million, 3 year Programme will address the challenge of changing behaviour across 12 Communities First Clusters in North, South West and South East Wales.

The Programme will develop the social, personal and transferable skills of over 800 young people who are NEET (not in education, employment or training) enabling them to re-enter education, access training and/or pursue employment opportunities. The Programme will also support over 1,500 people who are obese, sedentary and/or experiencing limiting, long-term illness, to develop more physically active lifestyles.

Open Access Decadal Review

New draft maps showing areas of open country and common land were published in July 2012. Due to a reduction in staff and budget since the original maps were issued, the consultation was web based with hard copies available to view in CCW and National Park offices. There were also articles in the press and farming magazines and the review was discussed at the National Access Forum and Local Access Forum (LAF) Chairs' Meeting.

In West Region Officers visited the Pembrokeshire Coast National Park Office to inform reception staff about the review so that they would feel prepared if a member of the public wanted to view the maps. They also gave presentations at Local Access Forums to raise awareness of the review and emphasise that CCW were only looking for where there had been changes as the criteria remained the same.

The initial consultation period ended in November 2012 and there were 232 representations to add and delete land across Wales. Feedback from the local LAFs was that the original mapping process had been a success and the maps were generally accurate. In January 2013 the Open Access Team started the work of verifying all the representations across Wales and aim to complete all site visits by May 2013, with provisional maps published in August. Only those with a legal interest in the land can appeal against land being shown on the provisional map.

Designated Sites

The network of designated sites is a key tool for protecting Wales' wildlife and geology, both on land and in the marine environment. Our notification programme has focussed on addressing gaps in our Sites of Special Scientific Interest (SSSI) series. A total of 12 sites (all new) were notified in 2012-13. One site was de-notified. The notified sites included 5 geological sites, 4 grassland sites, 1 species (bat) site, 1 mixed (plants & lichens) site and 1 Special Area of Conservation (SAC) site.

LIFE Plus – A Programme Management and Restoration of Natura 2000 (N2K) Sites in Wales

The project duration is September 2012 to December 2014. The purpose of the project is to develop a programme for the management and restoration of Natura 2000 (N2K) in Wales. The programme will:

- be a strategic framework for making substantial progress in Wales towards the achievement of favourable conservation status for Special Areas of Conservation (SAC) and Special Protection Areas (SPA) features;
- establish costed conservation management and restoration priorities for N2K sites for the period 2014-2020 and provide signposting for prioritising actions thereafter;
- provide a platform to seek funding for Natura 2000 related projects from all potential sources, and to integrate N2K funding into other financial instruments and policy areas;
- involve all relevant stakeholders in the public, private and voluntary sectors to seek maximum 'sign up' to the programme and ensure implementation begins as soon as possible.

The programme will build on the work completed as part of the Special Sites Programme. It will include all of Wales' Natura 2000 sites, both terrestrial and marine, and will incorporate actions inside and outside Natura 2000 site boundaries.

Ecosystem Resilience Diversity and Compliance (ERD) Fund

Welsh Government announced the ERD fund in early April 2012. Since then this new risk based fund has been established and has successfully delivered 34 projects. The ERD Fund is owned by Welsh Government, managed and administered by CCW and assessed by the Wales Biodiversity Partnership. During the 2012/13 year the fund contributed to a range of outcomes aimed at improving the resilience of Wales's natural environment to sustain benefits for the environment and for people. Successful projects included: ditch blocking in the uplands, building and connecting up ponds and other wetland habitats; delivering green infrastructure; enabling conservation grazing; invasive non native species survey and action and evidence gathering in the Marine environment to help inform sustainable decision making in the future. The projects engaged with different sectors including schools, fishermen, farmers, local authorities universities, and the public and many of the projects also encourage volunteers to get involved and help carry out practical action. The ERD Fund is a vital part of helping Wales to achieve ambitious targets set for biodiversity, ecosystem restoration and ecosystem services internationally and by the European Union.

Dune Rejuvenation

In order to try and prevent a potential 'mini mass extinction' of sand dune species, work has started to initiate the partial rejuvenation of ten major dune systems in Wales. Many of our obligate dune species require open sand but this has been rapidly disappearing over the past five decades as our dune systems are driven towards ever increasing stability. Among the likely causes are various anthropogenic factors.

In the 1950s, 75% of our dunes were classed as mobile - today that has declined to just 6% and bare sand now accounts for less than 2%. This has left several species on the brink of local extinction.

In an urgent attempt to reverse this trend, baseline geomorphological surveys have been carried out to identify where best to initiate levels of controlled remobilisation on the selected sites. This has now led to the creation of about 3.6ha of mobile sand at Kenfig Burrows with the aim of initiating a level of sustained mobility. These newly created mobile dunes will be carefully monitored but one immediate benefit has been their colonisation by the rare Vernal Mining Bee (*Colletes cunicularius*). Our hope is that this will be the first of many of our beleaguered dune species to take advantage of this habitat change.

LIFE Anglesey and Llyn Fens

The project continued to deliver excellent progress on the ground. CCW and the LIFE project both sponsored and contributed to a very successful and influential Joint British Ecological Society and International Union for Conservation of Nature IUCN UK Peatland Programme Symposium 2012 "Investing in Peatlands - Demonstrating Success" on 26-28 June 2012 at Bangor University - This international symposium was organised by the IUCN UK Peatland Programme, supported by CCW, CEH Bangor, Anglesey and Llyn Fens LIFE Project, the Wildlife Trusts and the RSPB. Delegates from around the world attended. It brought together experts from science, policy and practice to highlight and debate the importance of peatlands and peatland restoration from an ecological, social and economic perspective. We showcased successful restoration partnerships, discussed how socio-economic tools can help to embed peatland conservation in practice and policy, and evaluated how an ecosystem approach can be applied in peatland restoration to integrate conservation, business and policy.

Marine Conservation Zones (MCZs)

In early 2012 Welsh Government ran a consultation on 10 possible highly protected Marine Conservation Zones, with a view to reducing the number to no more than three to four for future designation. CCW provided support during the consultation, both at public meetings and in response to numerous queries to CCW, in terms of our role, the rationale for highly protected sites, and the data and process used to identify the ten potential sites.

The consultation generated a considerable amount of debate with significant local opposition to site proposals and their potential impacts. There was also a large body of supportive responses to the consultation, especially in support on the principle of highly protected sites.

As a result of the response to the consultation the Minister halted the MCZ Project and set up a Welsh Government run Task and Finish to re-examine how best to use the MCZ designation power so as to fulfil the Welsh contribution to a coherent network of MPAs in UK waters. A member of CCW staff was seconded into this Task and Finish Team. A small working group in CCW supported the seconded member of staff with evidence and advice. The Task and Finish Group will provide recommendations to the Ministers, leading to clarity on the next steps with MCZs in 2013.

Snowdon 15 years on Environmental Change Network (ECN)

A report has recently been published to mark the first 15 years of the ECN site on Snowdon. The ECN is a UK-wide monitoring network dedicated to investigating how our environment changes over the long-term. They are among the very small number of long-term monitoring sites that provide a comprehensive ecosystem perspective on environmental change. Snowdon is Wales' only co-located terrestrial and freshwater ECN site. Since inception the site has been jointly funded by the Welsh Government and CCW.

After 15 years, results are beginning to emerge which include both modest climatic change and notable decreases in the levels of acidification and related pollutants. However the levels of some pollutants (such as nitrate and ozone) are still likely to be having a negative impact on the habitats. Components studied mean that ECN sites are well placed to investigate the health of ecosystems.

An integrated, approach to removing invasive non-native plant species (INNS) from the upper Rheidol & Teifi valleys

Over the past few years it has become clear that Himalayan balsam has become well established in the lower valleys of the of the Afon Ystwyth and Afon Rheidol as well as the Afon Teifi. Due to the number of protected sites – SSSI, SAC and NNR – in the three valleys, prevention of further spread and removal of existing stands of Himalayan balsam is a very high priority.

An inter-agency project jointly funded and organised by CCW, Environment Agency Wales and Forestry Commission Wales has tackled the task of removing Himalayan Balsam from the upper and mid Ystwyth valley over the past three years. A contract has been set up with a local contractor who specialises in working on protected sites, especially those with challenging access. Good results have been achieved with Himalayan Balsam virtually eradicated from the area covered by the project.

In 2012 this co-operative approach was extended to new projects in both the upper Rheidol and upper Teifi valleys.

CCW NNR members of staff, the Senior Conservation Officer covering the Rheidol valley and the West Region Ecologist worked together to first commission baseline surveys of balsam and knotweed in the upper Rheidol Valley and then assess and bid for the resources required to treat or remove both species from the Rheidol Valley over the next three years. We were hoping to bring in other partners to the project next year: Statkraft, Ceredigion Council (both already doing some control) and perhaps the Woodland Trust, if the maps show it is also on their land.

Although the problem is less severe in the upper Teifi Valley, prompt action to both locate the balsam and knotweed plants and then to treat or remove them has already resulted in much reduced risk of further spread. This has been particularly important given the vulnerability of Cors Caron NNR as a wetland system to the spread of both species.

In both valleys close attention has been paid to trying to locate the upstream sources of both species and treat them early. Also wherever possible riparian land owners have been liaised with to raise awareness of the threat these invasive non-native plant species can pose to wetland plant communities.

Glastir

CCW provided evidence and advice to Welsh Government and the National Assembly on the development of the Glastir agri-environment scheme and assists with delivery on Sites of Special Scientific Interest. In parallel with colleagues in EAW, FCW and Welsh Government, CCW was seeking to ensure that Glastir provided maximum benefit in terms of enhancing biodiversity, cultural landscapes, recreational opportunities, water quality and the management of both flood risks and soil carbon.

CCW was consulted on the implications all Glastir proposals where these affect designated land. During 2012/13 we provided advice on some 250 applications so as to ensure appropriate management of SSSI, SPA and SAC.

Article 17 Reporting Habitat Directive

Every six years, the UK is required under Article 17 of the Habitats Directive to report the results from its surveillance of the conservation status of habitats and species listed in the Directive. The latest report, to be submitted in 2013, is based on an aggregation of information supplied separately by each of the four UK country conservation agencies. The UK report will in turn be combined with reports from other member states to provide a Europe-wide picture of the conservation status of threatened habitats and species.

CCW contributed information on the 60 habitats and 95 species that occur in Wales (with full submissions for all 60 habitats and 55 species), drawing both on new evidence obtained between 2007 and 2012, and on the improved interpretation of existing datasets. This information on conservation status is supplemented by a separate general report on the implementation of the Directive. Pulling together these contributions reports required significant inputs from a wide range of CCW staff with expertise in habitats and species, survey and monitoring, site designation and management, as well as data and reporting systems. Activities such as CCW's programmes of SAC monitoring and habitat surveys, in marine, terrestrial and freshwater environments, were vital sources of data for this work, though external datasets were also drawn on where appropriate. In addition to contributing to the UK report, it is envisaged that the data collated during the exercise will be used to produce summaries of the status of these internationally-important habitats and species in Wales.

National Nature Reserves (NNRs)

During the course of the year various management, access and interpretation works, substantially improving our NNRs took place, such as the replacement of visitor boardwalk using only recycled plastic at Cors Caron and the new raised boardwalk and viewing platform at Oxwich.

The new Aberbaregoed NNR was officially launched by the Minister for Environment and Sustainability on 14 June. The event involved children from local schools in a parade where they had made butterfly and caterpillar costumes. In the evening, an event was held for the local community which, despite the heavy rain, was well attended and at which CCW had a stall. This was the first NNR in the South Wales Valleys and lies next to the community of Aberbaregoed but also within reach of many other communities within the middle part of Caerphilly County Borough. The site is managed by Caerphilly with financial support from CCW under a Section 16 agreement

The Gregynog NNR Declaration was approved by Council in September 2012. Official launch took place in March 2013. We agreed and signed a five year S16 management agreement with Gregynog Hall as a mechanism for achieving the conservation and enhancement of the ancient parkland and wood-pasture habitat. This will mean that an important parkland habitat, for which Montgomeryshire is an important Area of Search, is recognised in the NNR series. Both Montgomeryshire and ancient wood-pasture/parkland are underrepresented in the NNR series nationally. It is also notable that it was CCW's final NNR declaration.

Support to the Living Wales Programme / Establishment of Natural Resources Wales

During the year, CCW provided a significant amount of time and resource in support of this critical work. This included the full time secondment of 26 members of CCW staff to work within the Welsh Government led Living Wales programme and the staff contributed work on a wide range of projects and initiatives, ranging from operational activities to corporate issues such as finance and human resources. A number of CCW staff also supported the Living Wales programme on a part time basis, with activities ranging from sorting out procurement issues to bringing all FCW staff onto CCW's payroll systems. Inevitably, the workload demands increased towards the back end of the year as the NRW "go live" grew nearer. CCW staff showed great energy, flexibility and enthusiasm for meeting these additional challenges whilst still continuing to deliver their core in year functions.

Sustainability Reporting

In 2012/13, CCW continued to look at ways in which it could develop and implement more sustainable ways of carrying out its work. The purpose of this section is to report upon CCW performance in this area.

Table 1 indicates the areas of performance that CCW are required to report upon in line with HM Treasury Guidance for 2012/13 annual reports.

Table 1. Indicates Performance Levels for 2012/13

Reporting Area	Description	Performance 2012/13
Greenhouse gas emissions (non-financial)	Scope 1 – Direct Emissions	416 tonnes CO ₂
	Scope 2 – Energy Indirect Emissions	526 tonnes CO ₂
	Scope 3 – Emissions as a result of official business travel	111 tonnes CO ₂
Waste minimisation and management (non-financial)	Total waste to landfill	7.3 tonnes
	Total waste recycled ¹	-
	Total waste to incineration	0.5 tonnes
Finite resource consumption (non-financial)	Water consumption	2997 m ³
Emissions (financial)	Gross expenditure on purchase of energy, on Carbon Reduction Commitment, accredited offset purchases and total expenditure on official business travel	£537,000
Waste (financial)	Total expenditure on waste disposal	£13,000
Finite resource consumption (financial)	Total expenditure related to water and other finite resources, including purchases of licences	£9,000

Notes:

1. Data not yet available. The 2011/12 total was 37.2 tonnes.

Scope 1: Gas, LPG, Heating Oil, CCW Fleet; Diesel, Petrol & Biodiesel

Scope 2: Electricity

Scope 3: Business Travel by; Train, Grey, Lease, Air, and Ferry

DEFRA 2012 Emission Factors used in conversion calculations

CCW has positioned itself as a national leader in measuring and tackling public sector greenhouse gas emissions and broader environmental impacts.

This has been achieved by adopting a robust Environmental Management System (EMS). ISO14001 is an internationally recognised environmental standard that sets out how you should manage an effective EMS.

CCW attained ISO14001 registration in September 2005 and have maintained this annually, following periodic external audits by British Standards Institute (BSi.).

Green Dragon is a Welsh Government environmental standard that recognises effective environmental management. Within the Green Dragon Standard there are five levels, with Level 5 being the highest level.

CCW achieved Green Dragon Level 5 in September 2005 the first Public Sector Organisation to achieve this.

CCW attained Carbon Trust Standard Certification in 2009 and following an assessment recertified to the standard in 2011.

The Carbon Trust Standard certifies that Organisations have measured, managed and reduced their carbon emissions across their operations, and they are committed to reducing further year-on-year. Once awarded, the certificate is then valid for two years, during which time the organisations must achieve a further cut in emissions to recertify.

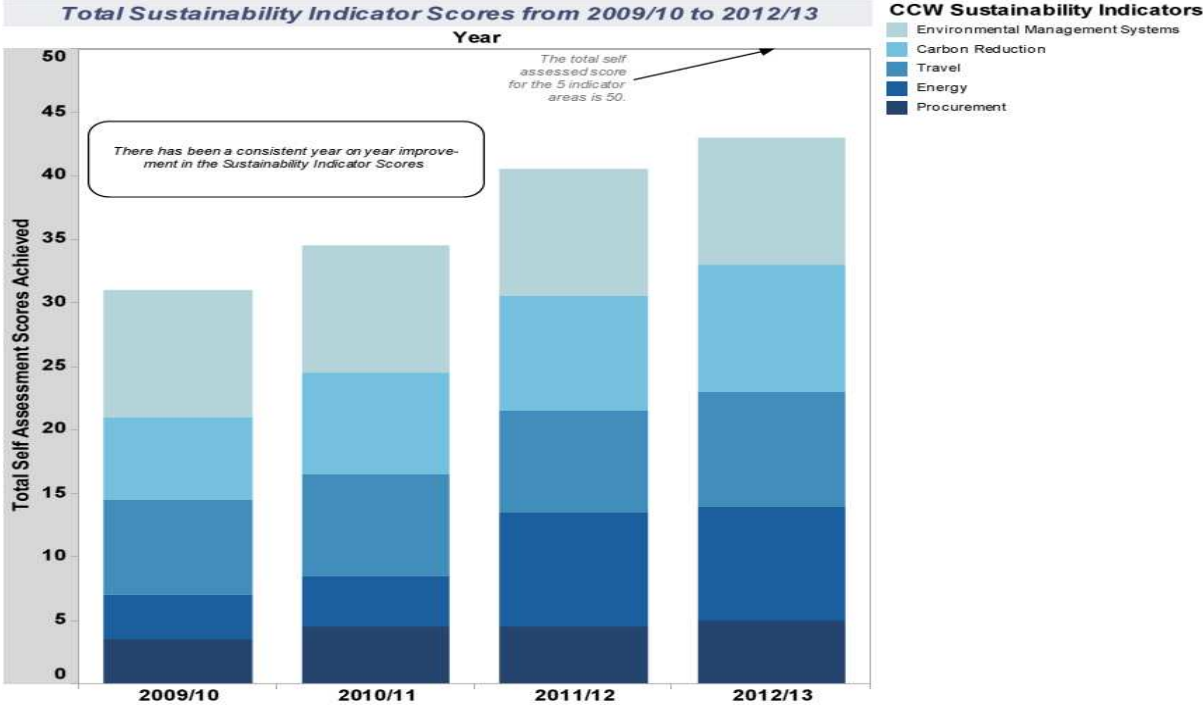
As in previous years, the most challenging area for improvement has been in the procurement area. CCW made some marginal improvement in this area but understands that it has a key role in encouraging suppliers, partners and stakeholders to improve their own sustainability performance in line with Welsh Government policy.

Transition into Natural Resources Wales

In looking forward, the progress achieved to date with improving CCW’s response to sustainability will continue within Natural Resources Wales. The EMS Team at CCW have liaised with Environment Agency Wales and Forestry Commission Wales colleagues working in this area and the challenges and opportunities faced by Natural Resources Wales will include the ones faced by CCW:

- Maintaining and developing current systems that capture sustainability data;
- Embedding the process within the new organisation;
- Prepare for the integration of information into the Annual Report and Accounts
- Consider ways in which sustainability reporting can be improved.

Table 2: CCW’s improvement against its Sustainability Indicators



Management Commentary

Employee Involvement

The CCW involved its employees through the CCW Whitley Council, which brought together representatives of the management and the two recognised trade unions in a working environment. There have been 6 Whitley Committee Meetings during the year and the discussions have been wide-ranging and productive.

Equality

CCW has consistently been committed to promoting equality through its policies, projects and services for its staff, the public and all people it worked with. The Council has published a Strategic Equality Plan (SEP) which included meeting our new and additional obligations under the Equality Act 2010. Specifically, the SEP set out clearly what our strategic equality objectives were and how we planned to achieve them. It describes how we monitor what we do and its impact, also reporting on how we have changed and adapted our approaches to take account of the new Equality Regulations.

Sickness Absence

During 2012/13, Countryside Council for Wales' employees incurred an average of 7.2 days sick leave (7.2 days 2011/12). This remains below the overall reported sick absence in the public sector for 2012 of 7.9 days per employee¹. This area has continued to be monitored carefully by senior management with the aim of achieving further improvements and key aspects of this approach will now be handed over to Natural Resources Wales

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. However, following a pledge by the Welsh Government in October 2008 to ease the current economic difficulties by minimising the turn-around times for payment of invoices for goods and services provided to the Government and Local Authorities, the Council moved to immediate payment terms for all suppliers. During 2012/13, the Council paid 99% of invoices within the 30-day terms.

Audit

The Accounts of the CCW are audited by the Auditor General for Wales as required under paragraph 21 of schedule 6 to the Environment Protection Act 1990. External Audit fees in respect of this and other audit work are shown in Note 5.5 to the Annual Accounts.

So far as the Accounting Officer is aware, there is no relevant audit information of which the Council's auditors are unaware. The Accounting Officer has taken all the steps that he ought to have taken to make him aware of any relevant audit information and to establish that the Council's auditors are aware of that information.

Council Members for 2012/13

Dr S Gubbay
Dr I Joyce
Mr A J Middleton
Mr M Parry (Chair)
Mr W.P O'Reilly
Ms L M Thomas
Mr A J Underwood
Mr R A Williams

1. Source: CIPD Absence Management Survey report 2012

Financial and Accounting Arrangements

The CCW was established in accordance with the provisions of the Environmental Protection Act 1990. The Welsh Government provides cash Grant in Aid (GIA) to CCW to finance the excess of its expenditure over its income. Cash Grant in Aid is recognised in the accounts when received, rather than when earned. The arrangements for financial management and control and the conditions attached to the payment of cash GIA are set out in a Financial Memorandum between the Welsh Government and CCW, and in Managing Welsh Public Money. 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).

CCW has no authority to borrow, or to hold cash balances above two percent of cash grant in aid from one financial year to the next, without the Welsh Government's prior written consent as determined in the Financial Memorandum. In accordance with International Financial Reporting Standards, CCW manages its finances and prepares the annual statement of accounts on a resource accounting and budgeting basis.

The Accounts are prepared under paragraph 21(1), schedule 6, of the Act in a form directed by Welsh Ministers with the approval of the Treasury. A copy of the Accounts Direction can be obtained from the CCW.

Financial Review

The 2012/13 Expenditure Statement records Comprehensive Net Expenditure of £42.3 million (£41.3m 2011/12), with income of £4.3 million (£4.0m 2011/12). The Comprehensive Net Expenditure for the year has been taken to the Statement of Comprehensive Net Expenditure Reserve. Grant in Aid and other Welsh Government grants received for the year was £43.6 million (£44.6m 2011/12) and has also been taken to the Statement of Comprehensive Net Expenditure Reserve. As at 31st March 2013, the Total Taxpayers Equity stands at £16.4 million, an increase of £1.3 million on the previous year.

The Council's expenditure was planned on the basis of the funds available to it through its annual receipts of cash grant in aid, other income and cash balances. The financial statements may record a surplus or deficit as a result of planned activity or as a result of the change in net current assets from year to year. Activities are planned to ensure the cash carry forward remains within the agreed two percent of total grant in aid for the year plus any additional carry forwards agreed with the Welsh Government. The year end cash carry forward was £2.2 million which was within the agreed amount.

In 2012/13 the Council purchased £1.3 million (£2.1m 2011/12) of non-current assets as detailed in Notes 7 and 8.

Establishment of Natural Resources Wales

From 1st April 2013, Natural Resources Wales (NRW) took over the functions currently carried out by CCW, Forestry Commission Wales and the devolved functions of Environment Agency Wales. The Accounting Officer for CCW was in post up to the end of March 2013. From the 1 April 2013 the Accounting Officer for NRW assumed responsibility for approving and signing off the Annual Report and Accounts of the former CCW. The NRW Audit and Risk Assurance Committee reviewed the Annual Report and Accounts on 15th July 2013 and received the proposed Wales Audit Office opinion for CCW.

Approval of the Annual Report and Accounts was done by obtaining certain assurances from the former CCW Accounting Officer on the internal control systems and governance framework that were in place during 2012/13. A draft Governance Statement was presented by the former CCW Accounting Officer and approved by the Audit and Risk Committee on 8th March 2013. In addition to the draft Governance Statement, the former CCW Accounting Officer also presented a Legacy Statement summarising the following:

- achievements and key performance indicators in 2012/13
- areas of current and future strategic development
- current priorities
- significant current or future liabilities
- risks and issues including funding challenges

Remuneration Report

Remuneration Policy

The Welsh Government sets the remuneration of the Chair, Chief Executive and Council Members of the Countryside Council for Wales.

The remuneration of senior employees is based on the same conditions as all employees of the Countryside Council for Wales. It is negotiated annually between the executive of the Countryside Council for Wales, The Public and Commercial Services and Prospect Unions. The Welsh Government approves the pre negotiation remit and is informed of the settlement reached. Progression is contractual to the maximum of the salary band, subject to satisfactory performance assessed through an annual performance appraisal.

In reaching its recommendations the negotiation team has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- Government policies for improving the services including the requirement to meet the output targets for the delivery of services;
- the funds available through GIA; and
- the Government's inflation targets.

The negotiation team takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Service Contracts

Service appointments are made in accordance with a recruitment policy, which requires appointment to be on merit on the basis of fair and open competition.

Unless otherwise stated below, the officers covered by this report hold open-ended appointments. These officers are required to give three months notice if they were to resign from the organisation and would be given three months notice if they were made compulsorily redundant. The policy relating to notice periods and termination payments is contained in the Countryside Council for Wales Staff Handbook.

Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interests of Council Members and the most senior employees of CCW.

Remuneration

Council Members	Service Contract	2012/13	2012/13	2011/12	2011/12
		Salary	Benefits in Kind	Salary	Benefits in Kind
		£000	£000	£000	£000
Dr I D Elis-Gruffydd	01-03-2007 to 28-02-2012	0	0	5-10	0
Dr S Gubbay	02-01-2008 to 31-03-2013	5-10	0	5-10	0
Dr I Joyce	01-10-2005 to 31-03-2013	10-15 ¹	0	10-15 ¹	0
Mr A J Middleton	02-01-2008 to 31-03-2013	5-10	0	5-10	0
Mr M Parry (Chairman)	01-03-2010 to 31-03-2013	40-45 ¹	0	40-45 ¹	0
Mr W P O'Reilly	01-10-2005 to 31-03-2013	10-15 ²	0	15-20 ²	0
Ms L M Thomas	02-01-2008 to 31-03-2013	5-10	0	5-10	0
Mr A J Underwood	01-10-2004 to 31-03-2013	5-10	0	5-10	0
Mr R A Williams	01-01-2003 to 31-03-2013	5-10	0	5-10	0

1. This member was appointed to the Joint Nature Conservation Committee (JNCC).
2. This member undertook the role of Chair of the Communities and Nature Project Board from 1st October 2010.

Senior Staff	2012/13	2012/13	2012/13	2011/12	2011/12	2011/12
	Salary	Bonus	Benefits in kind	Salary	Bonus	Benefits in kind
	£000	£000	(nearest £100)	£000	£000	(nearest £100)
D R Thomas (Chief Executive)	140-145 ³	5-10 ²	2.5	90-95	5-10 ¹	1.9
M I Hill (Regional Director)	60-65	0	1.0	65-70	0	0.5
T W Jones (Regional Director)	0	0	0.0	45-50 ⁴	0	2.9
D Parker (Dir. Evidence and Advice)	75-80 ⁵	0	2.0	60-65	0	1.9
M Parkinson (Dir. Resource & Planning)	5-10 ⁶	0	0.0	5-10 ⁶	0	0.0
A Williams (Dir. Resource & Planning)	55-60 ⁸	0	1.2	45-50 ⁷	0	1.0
D Worrall (Regional Director)	75-80 ⁹	0	0.0	60-65	0	0.0
Band of Highest Paid Director's Total Remuneration (£000)	150-155			100-105		
Median Remuneration of all staff (£)	31,098			32,041		
Remuneration Ratio ¹⁰	4.9			3.2		

1. This is the amount paid in 2011/12 awarded on the basis of the Chief Executive's performance during 2010/11.
2. This is the amount paid in 2012/13 awarded on the basis of the Chief Executive's performance during 2012/13. The bonus awarded in 2011/12 was not taken.
3. D R Thomas left under a Voluntary Exit Scheme on the 30th March 2013. The salary includes payment in lieu of notice and payment for some untaken leave that could not be taken before exit due to the work required to establish NRW. Details of the compensation for loss of office are on page 25.
4. This is the amount paid until the commencement of the Director's internal secondment to Welsh Government's Living Wales Programme on the 1st January 2012, which continued for 2012/13. The full year equivalent salary was between £60,000 and £65,000.
5. D Parker left under a Voluntary Exit Scheme on the 30th March 2013. The salary includes payment in lieu of notice and payment for untaken leave that could not be taken before exit due to the work required to establish NRW. Details of the compensation for loss of office are on page 25.
6. Appointed as a Director from 13th February 2012 until 7th May 2012 to backfill for senior staff seconded to the Welsh Government's Living Wales Programme. The full year equivalent salary for both years is between £50,000 and £55,000.
7. This is the amount paid until the commencement of the Director's internal secondment to Welsh Government's Living Wales Programme on the 1st January 2012. The full year equivalent salary is between £65,000 and £70,000.
8. The Director's secondment to the Welsh Government's Living Wales Programme ended on the 7th May 2012. The full year equivalent salary is between £60,000 and £65,000.
9. D Worrall left under a Voluntary Exit Scheme on the 30th March 2013. The salary includes payment in lieu of notice and payment for some untaken leave which could not be taken before exit due to the work required to establish NRW. Details of the compensation for loss of office are on page 25.
10. The Remuneration Ratio compares the mid-point of the band of the total remuneration of the highest paid director to the median full time equivalent annualised remuneration of all other staff employed on 31st March 2013.

Pay Multiples

The Countryside Council for Wales and similar bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. Total remuneration includes salary, non-consolidated performance-related pay, benefits in kind as well as severance payments. It does not include employer pension contributions and the CETV of pensions.

The banded remuneration of the highest paid director in CCW in 2012/13 was between £150,000 and £155,000 (2011/12 £100,000 to £105,000). This was 4.9 times (2011/12, 3.2 times) the median remuneration of the workforce which was £31,098. (2011/12 £32,041)

There has been a small reduction in median pay from 2011/12, caused primarily by the need to employ agency staff on short term work, together with the employment of some new staff on specific projects, primarily externally funded. Most of these staff were paid less than the previous median pay, and this accounts for the small reduction in median pay since 2011/12. The increase in the remuneration of the highest paid director is due to payment for untaken leave at 30th March 2013 and payment in lieu of notice. Excluding these items, the banded remuneration would have been the same as for 2011/12 (£100,000 to £105,000) and the Remuneration Ratio would be 3.3, close to the 2011/12 ratio of 3.2.

Salary

Salary covers both pensionable and non-pensionable amounts and includes gross salary, overtime and any allowances or payments that are subject to UK taxation.

Only the Chief Executive is eligible for a performance bonus. It is based on targets set for the Council by the Welsh Government. Council determine whether the targets have been met and whether the performance bonus is payable. Other senior staff receive a gross salary only. None of the Council Members or senior staff received any remuneration other than shown above.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument.

Pension Benefits

Senior Staff	Accrued Pension at age as at 31/3/13	Accrued Lump Sum at pension age as at 31/3/13	Real Increase in Accrued Pension During the Year	Real Increase in Accrued Lump Sum During the Year	CETV at 31/03/13	CETV at 31/03/12 ⁵	Real Increase/ (Decrease) ¹ in CETV
	£000	£000	£000	£000	£000	£000	£000
D R Thomas (Chief Executive)	55-60	0	2.5-5	0	1179 ²	1057	60
M Parry (Chairman)	0-5	0	0-2.5	0	28	13	12
M I Hill	15-20	55-60	0-2.5	2.5-5	375	339	8
D Parker	20-25	0	0-2.5	0	365 ²	310	28
M Parkinson (to 7/5/12)	15-20	50-55	0-2.5	0-2.5	277 ⁴	266	2
A Williams (from 8/5/12)	5-10	0	0-2.5	0	70	67 ³	(2)
D Worrall	20-25	70-75	0-2.5	0-2.5	510 ²	479	4

1. Taking account of inflation, the CETV funded by the employer has decreased in real terms.

2. CETV at 30 March 2013.

3. CETV at 8 May 2012.

4. CETV at 7 May 2012.

5. New actuarial factors were used to calculate CETVs at the start and end period. This means the CETV at 31/3/12 therefore differs from the corresponding figure in last year's report.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a final salary scheme (classic, premium or classic plus); or a whole career scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 1.5% and 3.9% of pensionable earnings for classic and 3.5% and 5.9% for premium, classic plus and nuvos. Increases to employee contributions will apply from 1 April 2013. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos.

Further details about the Civil Service pension arrangements can be found at the website <http://www.civilservice.gov.uk/pensions>

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation for loss of office

Roger Thomas left under Voluntary Exit terms on 30th March 2013. He received a compensation payment of between £45,000 and £50 000.

David Parker left under Voluntary Exit terms on 30th March 2013. He received a compensation payment of between £105,000 and £110,000.

David Worrall left under Voluntary Exit terms on 30th March 2013. He received a compensation payment of between £105,000 and £110,000.

All payments were in accordance with the UK Cabinet Office and Principal Civil Service Pension Scheme rules and guidance.

Signed

Dr. Emyr Roberts

NRW Accounting Officer and Chief Executive

Date: 19 July 2013

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 for each financial year, a statement of resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Countryside Council for Wales in the form and on the basis determined by Welsh Ministers, in compliance with the accounting principles and disclosure requirements of the Government Financial Reporting Manual ("the FReM") issued by HM Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the department and of its net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the principal Accounting Officer is required to comply with the requirements of the Managing Welsh Public Money and in particular to:

- observe the Accounts Direction issued by the Welsh Ministers, 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 as set out in the FReM have been followed, and disclose and explain any material departures in the accounts; and
- prepare the Financial Resource Statements on a going concern basis.

The Principal Accounting Officer for Welsh Ministers 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 Accounting Officers' Memorandum, issued by the Treasury.

Governance Statement

Part 1: Scope of responsibility

The Countryside Council for Wales (CCW) was responsible for ensuring that its functions were conducted in accordance with the law and proper standards, and that public money was safeguarded and properly accounted for, and used economically, efficiently and effectively. CCW was established under the Environmental Protection Act 1990 ("the Act") and it inherited the statutory conservation and wider countryside functions previously carried out in Wales by the Nature Conservancy Council and the Countryside Commission for the purpose of advising the Government in Wales on nature conservation and on general countryside matters. The status and constitution of the Council were set out in Section 128 of the Act.

CCW was a Welsh Government Sponsored Body and, through the publication of the Annual Report, CCW reported upon progress made and set out how the resources made available to CCW was allocated. The Welsh Government approved the *Corporate Plan: Living Within Natural Limits (2012-13)* and the annual Operational Plan.

At a strategic level, the Chair and Chief Executive of CCW met regularly with the Environment Minister which included an annual meeting to review full year performance and discuss on-going future plans. To ensure the timely delivery of work, CCW senior officers met on a monthly basis with Welsh Government officers to discuss the issues, risks and opportunities faced at CCW. These monthly meetings followed a structured agenda looking at all facets of the organisation's work including finance, performance and risk management.

The Accounting Officer for CCW had responsibility for maintaining a governance framework and sound system of internal control that supported the achievement of the CCW policies, aims and objectives, set by the Welsh Government. The Accounting Officer was also responsible for safeguarding the public funds and Council assets for which he was personally responsible, in accordance with the responsibilities assigned to him in the document *Managing Welsh Public Money (Welsh Government)*.

Part 2: The purpose of the governance framework

The governance framework comprised the systems, processes, culture and values by which CCW was directed and controlled in delivering its activities. In delivering these activities, CCW officers and staff gave account to and engaged with the Council. The Council monitored the achievement of the CCW strategic objectives and ensured that CCW activities were delivered in an economic, efficient and effective way.

The system of internal control at CCW was at the centre of the governance framework and was designed to manage risk to a reasonable level rather than completely eliminate all risk of failure to achieve the organisation's policies, aims and objectives. Internal control can only provide reasonable and not absolute assurance of effectiveness. The system of internal control was based on an on-going process designed to:

- identify and prioritise the risks to the achievement of CCW's policies, aims and objectives;
- evaluate the likelihood of those risks being realised and the impact should they be realised; and
- manage them efficiently, effectively and economically.

The governance framework described above was in place at CCW for the year ended 31 March 2013, and accorded with guidance.

The governance framework was also developed following the joint initiative undertaken by CCW and Welsh Government's Governance in Wales Unit during 2009 (*Report on the Citizen-Centred Governance Review of the Countryside Council for Wales, June 2009*).

Part 3: The Governance Framework

The key elements of the systems and processes that comprised CCW's governance framework arrangements were as follows:

1 CCW Corporate Plan

CCW champions the environment and landscapes of Wales and its coastal waters as sources of natural and cultural riches, as a foundation for economic and social activity, and as a place for leisure and learning opportunities. CCW aims to make the environment a valued part of everyone's life in Wales.

This mission was supported by the CCW Corporate Plan (2012-13) 'Living Within Natural Limits' which demonstrated that the organisation's remit was broad but, as an independent public body, explained that a key role was to sustain Wales' natural environment, both on land and at sea.

The strategic aims defined within the corporate plan were:

- To safeguard and improve the quality of our wildlife habitats, our species, geology and landscapes and the natural systems that support them and ourselves
- To ensure the value of the environment and the functions it performs are better understood, and that these are taken into account more fully when making decisions that affect our lives
- To enable more people to have direct experience of the outdoor environment and to play an active part in its management
- To refine and strengthen the systems of governance and internal control, streamlining systems and collaborating with others to achieve shared outcomes effectively and efficiently

Following discussions between Welsh Government officials and key CCW staff about future objectives, the Environment Minister (Welsh Government) confirmed the key targets for the forthcoming year in the "remit letter" addressed to the Chair of CCW. CCW then developed its operational plan within the direction set out within CCW's Corporate Plan.

Reviewing CCW's vision and strategy

During 2012/13, CCW and the Council fully engaged with government (at all levels) providing advice and opinion on matters which affect the environment. In addition to this key role, CCW also provided advice and information on environmental matters to statutory and voluntary bodies as well as developers or individuals as requested. In addition to the advisory role, CCW worked in the following areas:

- Protecting rare species
- Research and survey
- Maintaining protected areas
- Promoting enjoyment for all
- Working with others

CCW also maintained its external policy positions that were shared with all CCW staff via the intranet.

2 Governance during transition

In 2012/13, the Chief Executive at CCW recognised that staff and management at CCW would need to be provided with the capacity to:

- Deliver the 2012/13 key targets defined within the remit letter from Welsh Government; and
- Facilitate the work of the Living Wales Programme¹ (and those appointed to Natural Resources Wales) to safeguard a smooth transition of functions, systems and services.

It became clear from the outset that CCW management would need to support and co-ordinate staff and teams to enable the above dual objectives to be achieved.

From the outset, the Chief Executive and the Directors Team defined the importance of the dual objectives in 2012/13 and set out mechanisms to manage and monitor the progress towards achievement throughout the year. It became clear that additional governance and project management arrangements were necessary to facilitate the work of the Living Wales Programme but also to safeguard the delivery of the 2012/13 remit letter key targets.

¹ Living Wales Programme is the WG implementation project team that has been created to prepare for the transition into the Natural Resources Wales (from Environment Agency Wales, Countryside Council for Wales, Forestry Commission Wales).

Additional governance and project management arrangements

A key member of the CCW senior management team was positioned as the Business Change Manager who facilitated and co-ordinated the interface between the Living Wales Programme and CCW. The role of the Business Change Manager evolved during the year, responding to the changing needs and requirements of the Living Wales Programme (and Natural Resources Wales, from November 2012).

From CCW's perspective, the role of the Business Change Manager provided specific governance and project management arrangements that:

- Identified the right CCW staff to support the LWP work streams;
- Monitored the completion of LWP tasks by CCW staff and teams
- Supported the responses to LWP project management arrangements at CCW by quickly resolving any delays in the completion tasks (e.g. the due diligence exercise led by LWP)
- Continually assessed the risks and opportunities around the completion of LWP work stream tasks enabling a 'transferable risk register' and process to be created

During the latter half of 2012/13, the governance focus changed from overseeing the creation and robustness of plans to assessing the progress of plans. The Business Change Manager established a weekly senior management team meeting at CCW that discussed and established ways in which CCW could inform LWP/NRW of solutions to specific matters of concern. From November 2012, the Business Change Manager also provided information and attended the NRW Delivery Team chaired by the newly appointed NRW Chief Executive.

In January 2013, the transition process leading to the establishment of NRW systems and processes was commenced and the Business Change Manager oversaw this process. The transition process ensured that the handover of capability for the different functions at CCW could be undertaken in a methodical and managed way.

Achieving the dual objectives

As expected, the transition of CCW into NRW had a significant impact upon many operational and organisational activities at CCW. It is evident that some parts of the organisation were challenged during 2012/13 due to the increased workload. For these areas, CCW management responded to positively adopting an enabling approach, using staff flexibly between functions and providing support in the prioritisation of work.

Many CCW staff have been subject to a greater level of work pressure and stress in 2012/13. CCW Directors' Team responded quickly to their duty of care by establishing specific sessions open to all CCW staff aimed at enabling staff to deal with and manage change. These sessions, in addition to the support provided by colleagues and management, provided a response to the increased level of concern raised by managers within the group, regional and directorate risk registers.

The implementation of the additional governance and project management arrangements around business change and transition safeguarded the achievement of the dual objectives at CCW during 2012/13. In light of the challenges faced, staff have responded positively to the additional tasks and additional governance mechanisms put in place by CCW that have facilitated the transition process and has enabled CCW management to be fully informed of the issues and problems being faced.

3 CCW Council, Advisory Groups and the Audit and Risk Management Committee

The CCW was led by a Council whose members were responsible, individually and collectively, to the Welsh Government for providing effective leadership for the organisation. They were also responsible for setting CCW's policy and for making sure it met its objectives within the statutory, policy and financial framework laid down for it. The Chief Executive attended Council meetings. The Council set up an Audit and Risk Committee to provide an oversight on matters of corporate governance and internal control.

The governance framework of the organisation was overseen by the Council who met six times each year to ensure that the organisation works towards its mission and delivers its Annual Operational Plan. The following areas were considered by Council at their meetings and formed a key part of the governance arrangements:

- the performance and delivery of the Annual Operational Plan;
- the intended strategies and actions to best implement policies within the Annual Operational Plan
- the strategies that affect the long term capabilities of the organisation (including corporate support services)
- the WG annual allocation of resources, planning and budget assumptions supporting the delivery
- minutes and updates from committees and other forums that provided the Council with knowledge of the successes and challenges faced by the organisation

The Council's work was undertaken in a planned and co-ordinated way that was facilitated by good communication between the Chair, Council Members, Executive team and their support staff.

During 2012/13, the Council oversaw the transition arrangements at CCW and this necessitated an increased level of contact and meetings from previous years. Council oversaw the co-ordination and control mechanisms established during the transition into Natural Resources Wales.

Delivery through Programme Groups and Regional Teams

In order that CCW fully delivered the Annual Operational Plan derived from the remit letter from Welsh Government, the organisation planned its resources and staff against three major cross-cutting programmes of work:

- *Action for Wildlife and Landscapes:* To safeguard and enhance Wales' natural environment and distinctive landscapes, both within and outside of protected areas.
- *People and the Environment:* To encourage more people to experience and learn about the natural environment, to understand and value the different benefits it provides for society and to become actively involved in helping to care for it
- *Managing for the Future:* To ensure that CCW had the right structure, people, systems, process and resources in place.

In addition to these three major programmes of work, CCW ensured it could deliver its work throughout the country by having 3 regional teams. The regional teams worked closely with CCW partners and ensured that the organisation could be as responsive to local issues as it was to national environmental matters. The regional teams were also supported with specialist expertise and corporate functions that ensured that the Annual Operational Plan could be delivered.

The Accounting Officer developed a process that monitored the progress and delivery of the Annual Operational Plan that was set out within the *Corporate Planning and Budgeting Handbook*. He was also informed by Directors' Team at their weekly meetings of any matter or issue that required urgent action. This process enabled him to inform the Chair and Council of the challenges and issues that faced the organisation in delivering the Annual Operational Plan.

Audit and Risk Management Committee

The Audit and Risk Management Committee performed a critical role in monitoring the governance, internal controls, audit and risk management arrangements at CCW. The responsibilities of the Audit and Risk Management Committee were identified within the terms of reference (last reviewed in April 2011).

The Audit and Risk Management Committee provided a critical role during the transition of the governance and assurance functions of CCW into NRW. The Audit and Risk Management Committee (through its Chair) prepared a Legacy Statement on key decisions, issues, risks and opportunities considered during 2012/13.

4 Quality of information and data used by Council

A robust system was developed for ensuring that information considered by Council had been carefully prepared and was presented by a member of Directors' Team. This enabled the Accounting Officer to be assured that any information received by Council (that will sometimes lead to decisions being taken based upon that information received) was correct and could be evidenced if required.

CCW was an information and data-rich organisation that developed a Records Management Policy to safeguard corporate information and knowledge. The Information Systems Group and Partnership Knowledge and Communication Group worked closely together to ensure that information governance standards were also maintained.

Information provided to Welsh Government and other statutory or voluntary organisations were also shared ensuring that every effort was made to present the best and most reliable information to support our users' information needs.

During 2012/13 a significant level of information and data sharing occurred between CCW and the Living Wales Programme, Welsh Government, Environment Agency Wales and Forestry Commission Wales in preparation for the creation of the Natural Resources Wales. This additional work ensured that the existence and importance of key data sets can be retained and utilised, as appropriate, within the functions of Natural Resources Wales.

5 Responsibilities and delegation arrangements

The management structure developed at CCW was designed to promote the delivery of the Annual Operational Plan. The management structure was kept under continual review during 2012/13 following the secondment of many key individuals to Welsh Government as part of the *Living Wales Programme*.

CCW delegated financial responsibilities were in accordance with the *Financial Memorandum* that set out the agreed delegated limits with Welsh Government and also the agreed scheme of delegations within the organisation.

CCW worked within the responsibilities set out in the document *Managing Welsh Public Money* and together with the Financial Memorandum formed the basis from which operational finance policies and procedures were developed at CCW.

6 Arrangements for ensuring adequate and effective financial management

CCW's arrangements for ensuring adequate and effective financial management are derived from its adherence to the *Financial Memorandum* and *Managing Welsh Public Money*. CCW developed *Finance Rules* and *Finance Instructions* that enabled specific key areas of financial management to be considered.

During 2012/13 CCW the financial management arrangements were maintained as in previous years. The senior management team also participated in the Finance and Assets work stream of the Living Wales Programme, ensuring readiness for 2013/14 and ensuring a smooth transition into the new organisation.

7 Ensuring compliance with relevant laws, regulations, internal policies and that expenditure is lawful

CCW's internal and external auditors were expected to report to relevant officers on any failure to comply with either policy or legislation, and or report to the Audit and Risk Management Committee in accordance with its Terms of Reference. Group Heads and Directors received copies of every relevant internal audit report. The results of follow-up work on recommendations were also reported to the Audit and Risk Management Committee.

CCW maintained its policies and guidance notes on the CCW intranet site. Areas covered included the following:

- Records Management Policy
- Environmental Policy
- Information Security Policy
- Staff Handbook
- Finance Rules and Instructions
- Procurement Manual
- Health & Safety Policies
- Whistleblowing
- Anti Fraud and Corruption Policy
- Freedom of information and Access to Information, Environmental Information Regulations

CCW staff also participated in the Living Wales Programme's due diligence exercise and various work streams (e.g. Regulatory) to ensure an informed transition into the new organisation.

8 Encouraging partnership working

CCW promoted partnership working in accordance with the *Programme for Government* set out by Welsh Government. CCW worked in partnership with many organisations across various sectors and the following list of partners and sectors demonstrate the extensive partnership work undertaken:

- European Network of Country Agencies (ENCA)
- Industry
- European Environment and Sustainable Development Advisory Councils EEAC
- Country Agencies and JNCC
- North Wales Police, Dyfed Powys Police and South Wales Police
- Local Authorities throughout Wales
- Voluntary Sector
- Universities in Wales

During 2012/13, the transition into Natural Resources Wales provided CCW staff with the opportunity to work closely with staff from the Environment Agency Wales and Forestry Commission Wales. A significant level of work has been undertaken by CCW staff in responding to the information needs and requirements of the Living Wales Programme. During the latter half of 2012/13, CCW have also been increasingly able to share information with its stakeholders and partners that will support transition into the new organisation.

9 Arrangements that lead to effective communication

CCW ensured that it had a robust system for communicating news within the organisation and externally with its partners which was facilitated by CCW's internet site (www.ccg.gov.uk) that provided the latest information concerning the transition into the Natural Resources Wales. In addition to maintaining effective communication outside of the organisation, the internal intranet site that provided staff with access to internal systems and information resources were managed by the Planning Knowledge and Communication Group. In addition, organisational bulletins, the Chief Executive Blog, the Newsletter 'In Touch' and a monthly update on changes to legislation and policy (Wales, UK and Europe) were all important to ensure that staff at CCW remained informed.

Groups and directorates at CCW were also encouraged to meet on a regular basis, in accordance with Investors in People, to ensure that teams worked effectively together to communicate and deliver the programmes and projects at CCW. We also held annual seminars for all staff at which we celebrate our achievements over the year, reinforced corporate messages and allowed sufficient time for staff to put questions to senior managers and Council.

10 Maintaining the Risk and Control Framework

Following the announcement of the Environment Minister (Welsh Government) in 2011/12 of his intention to form a single body from CCW, the Forestry Commission Wales and Environment Agency Wales a dual focus existed within the organisation.

The dual focus was been necessary to ensure that the organisation delivers the 2012/13 objectives set by Welsh Government but also supports transition and the formation of the Natural Resources Wales.

The Accounting Officer ensured that the executive team and their senior staff monitored the delivery of the Annual Operational Plan for 2012/13 whilst also responding to the requirements of the Living Wales Programme and those who have been appointed to the Natural Resources Wales during 2012/13. During this period of change, the risk and control framework formed contributed to the successful delivery of the Annual Operational Plan for 2012/13.

Risk Management Policy

CCW's risk management policy was drawn up and implemented in accordance with HM Treasury guidance. CCW had a risk management policy endorsed by Council and the Audit and Risk Management Committee. The risk management process at CCW became embedded throughout the organisation and was considered a key element of the management, planning and reporting processes we followed. The Accounting Officer oversaw the monitoring of the risk management process (including risk registers).

Risk and control framework

CCW's approach to risk management had been embedded throughout the organisation for several years and, following the identification of a corporate risk champion in 2012/13, risk was integrated within the organisation's management systems and quarterly review process to ensure that risks were managed effectively, proportionately and consistently.

The CCW risk and control framework described in this section did not identify any significant internal control issues in 2012/13. However, the loss of key CCW staff to the Living Wales Programme (and the extent of work undertaken in support of this programme) resulted in the flexible use of CCW staff and managers at CCW during 2012/13. In addition to the risks identified as a result of the transition, the area identified as being subject to ongoing improvement and review was the establishment of a robust Software Licenses Policy and management system to be developed following the recommendation of the Oracle Licenses Review.

Risk Registers

A standard format for risk registers and enhanced scoring matrix has been developed and exists at three levels within the organisation for 2012/13:

- Local Risk Registers
- Regional and Directorate Risk Registers
- Directors Team / Corporate Risk Register

During 2012/13, CCW also identified the need to communicate the high-level transferable risks and opportunities for the Living Wales Programme. A process was developed and agreed at the Audit and Risk Management Committee that included the identification of the key risks and opportunities identified within the risk registers and various other senior management team meetings.

Reporting, Monitoring and Review

A structured and planned approach was developed by management to ensure that the risk register reports were created and reviewed at least quarterly. Management has also established a timetable to ensure that the Quarterly Review meetings and the Audit and Risk Management Committee meetings received the respective Regional/ Directorate Risk Registers and Corporate Risk Register on a timely basis.

The identification of a high-level transferable risk report for the Living Wales Programme also occurred on a quarterly basis and supported the business change process. The Audit and Risk Management Committee considered and reviewed the full Corporate Risk Register on an annual basis and at each other meeting, and received a brief report of five key corporate risks for consideration and assurance.

Part 4: Effectiveness of the Governance Framework

Review of Internal Controls

The Accounting Officer had the responsibility for reviewing the effectiveness of the systems of internal control. The review of the effectiveness of the system of internal control was informed by the work of the Internal Auditors, the Audit and Risk Management Committee which oversaw the work of the Internal Auditor, the executive managers within the CCW who had 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.

CCW's Audit and Risk Management Committee comprised of six non-executive members from Council and one independent member. It raised issues and concerns as necessary with the Accounting Officer. Its Terms of Reference ensure that risk management and internal control are regularly considered within the year. The Audit and Risk Management Committee members and officers received training on governance and audit committee best practice.

Letters of Representation were received by senior officers at CCW for 2012/13. A review of these representations provided assurance overall and where weaknesses or issues had been identified during the year, officers reported all these matters were in hand, but some are subject to ongoing improvement and ultimate resolution. These were:

- During the latter stage of the financial year, weaknesses were identified in the processes adopted for the management of Oracle software licences and an internal review was undertaken. This led to recommendations for the need to establish and develop a robust Software Licences Policy and Management System, as referenced in Part 3.10 of this document.
- Communities and Nature (CAN) Project Moelyci matching funding issues, reclaim required and currently scoping with Welsh Government the method of reclaim to be pursued.

The Council received regular reports from the Chair of the Audit and Risk Management Committee concerning internal control. Each Director, Regional Director and Group Head provided the Chief Executive with a written statement of assurance that all systems of management and financial control were effective. The majority of the issues raised were strategic and do not lessen the adequacy of internal control. The issues raised in the written statements were noted, reviewed by the Audit and Risk Management Committee and their resolution monitored through an action plan.

CCW's Internal Audit was provided by Denbighshire County Council and operated to standards defined in the Government Internal Audit Manual and they had direct access to the Chief Executive and the Chair of the Audit and Risk Management Committee. Annual audit plans, which are risk based, were approved by the Audit and Risk Management Committee, to whom Internal Audit made regular reports. For each assignment, Internal Audit provided an opinion on the adequacy and effectiveness of the system of internal control and identified issues arising for management to address. Issues arising from audits were followed up as quickly as possible to ensure that appropriate action was taken and improvements in the risk management, governance and internal control processes were achieved where necessary. Senior management regularly reviewed progress achieved in implementing the audit action plan.

Following completion of the annual plan, Internal Audit produced an annual report which was presented to the Audit and Risk Management Committee. This report summarised the work completed during the year and identified any significant issues which may have impacted upon the effectiveness of CCW's control environment and which should be incorporated into this statement. An opinion on the adequacy and effectiveness of CCW's system of internal control was also provided.

In light of the audits undertaken in 2012/13, the overall opinion of the Head of Internal Audit was provided within the Internal Audit Annual Report (paragraph 40). *"In our opinion, therefore, the Accounting Officer can have assurance in the overall adequacy and effectiveness of its internal control, governance environment and risk management arrangements"*.

Actions responding to the governance framework

In addition to responding to reviews by internal and external agencies, CCW's internal controls, systems and processes were also discussed and assessed by Council, Audit and Risk Management Committee, CCW management and staff. This often identified areas that were subject to review and enhancements. In 2012/13, the organisation's governance focus was on ensuring that systems and processes had been reviewed in readiness for transition. *Part 3, Section 2 Governance during Transition* refers in greater detail to the actions undertaken by CCW senior management in 2012/13.

Through the dedicated support of Council, Directorate Team and staff, CCW successfully delivered its remit letter for 2012/13. Throughout the final year at CCW, staff and management also responded positively to the challenges faced during the transition of the organisation. The combined understanding, knowledge and experiences of CCW staff will help support the new governance arrangements at Natural Resources Wales.

Signed

Date: 19 July 2013

Dr. Emyr Roberts
NRW Accounting Officer and Chief Executive



Cyngor Cefn Gwlad Cymru
Countryside Council for Wales

ANNUAL ACCOUNTS

Primary Financial Statements
and Notes

for year ending 31 March 2013

**Statement of Comprehensive Net Expenditure
for the Year Ended 31 March 2013**

		2012/13	2011/12
		£000	£000
	Note		
Expenditure			
Staff Costs and Council Members' Remuneration	4.1	19,020	18,862
Other Operating Charges	5.5	5,240	5,256
Depreciation and Amortisation	7 & 8	1,179	1,376
Impairment of Non-current assets	7.1	115	0
Programme expenditure:			
National Nature Reserves and Site Protection	5.1	4,312	4,633
Scientific and Technical Support	5.2	2,124	2,150
Operational Support	5.3	2,522	2,187
Grants Payable	5.4	12,011	12,542
		<u>46,523</u>	<u>47,006</u>
Income			
Income from Activities	6.1	(628)	(355)
European Income: paid to Third Parties	6.2	(2,132)	(2,108)
European Income: Retained by CCW	6.3	(1,508)	(1,522)
Net surplus on disposal of non-current assets		(12)	(25)
		<u>(4,280)</u>	<u>(4,010)</u>
Net Expenditure		<u>42,243</u>	<u>42,996</u>
Provisions: Change in Discount Rate and Unwinding of Discount	15.1	32	33
Interest receivable and Card Rebate		(13)	(16)
Net Expenditure after Interest		<u>42,262</u>	<u>43,013</u>
Other Comprehensive Net Expenditure			
Net (Gain)/Loss on Revaluation	7.1	0	(1,752)
Total Comprehensive Net Expenditure for year ended 31 March 2013		<u>42,262</u>	<u>41,261</u>

The accounting policies and notes on pages 41 to 63 form part of these financial statements.

Statement of Financial Position
as at 31 March 2013

		31 March 2013 £000	31 March 2012 £000
	Note		
Non-current assets			
Property plant & equipment	7	5,899	6,359
Heritage Assets	7	6,208	5,835
Intangible assets	8	886	864
Total non-current assets		<u>12,993</u>	<u>13,058</u>
Current Assets			
Assets held for sale	10	34	0
Inventories	11	12	7
Trade and other receivables	12	4,023	3,786
Cash and cash equivalents	13	2,167	1,535
Total current assets		<u>6,236</u>	<u>5,328</u>
Total assets		<u>19,229</u>	<u>18,386</u>
Current liabilities			
Trade and other payables	14	(1,964)	(1,862)
Provisions	15	(248)	(648)
Assets less current liabilities		<u>17,017</u>	<u>15,876</u>
Non-current liabilities			
Financial liability	17.3	(68)	0
Provisions	15	(580)	(844)
Total non-current liabilities		<u>(648)</u>	<u>(844)</u>
Assets less liabilities		<u>16,369</u>	<u>15,032</u>
Taxpayers' Equity			
Reserves			
Revaluation Reserve	20.1	2,389	2,428
Statement of Comprehensive Net Expenditure Reserve	20.2	13,980	12,604
		<u>16,369</u>	<u>15,032</u>

The accounting policies and notes on pages 41 to 63 form part of these financial statements.

Signed

Date: 19 July 2013

Dr. Emyr Roberts
NRW Accounting Officer and Chief Executive

Statement of Cash Flows
for the year ended 31 March 2013

	Note	2012/13 £000	2011/12 £000
Cash flows from operating activities			
Comprehensive Net Expenditure		(42,262)	(41,261)
Adjustment for Surplus on Disposal of Assets		(12)	(25)
Adjustment for Depreciation		1,179	1,376
Adjustment for Gain on Revaluation		0	(1,752)
Adjustment for Impairment	7.1	115	0
(Increase)/Decrease in trade and other receivables	12	(237)	(1,553)
(Increase)/Decrease in Assets held for sale	10	(34)	0
(Increase)/Decrease in inventories	11	(5)	0
Increase/(Decrease) in trade and other payables	14	102	669
Increase/(Decrease) in financial liability	17.3	68	0
Increase/(Decrease) in provisions	15	(664)	146
Net cash flow from operating activities		(41,750)	(42,400)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(911)	(1,842)
Purchase of intangible assets	8	(339)	(218)
Gain on disposal of revalued asset		0	(103)
Proceeds on disposal of property, plant and equipment		68	475
Net cash outflow from investing activities		(1,182)	(1,688)
Cash flows from financing activities			
Revenue Grant in Aid and other grants from WG		41,877	43,273
Capital Grant in Aid from WG		1,000	1,360
Additional Grant in Aid from WG - Living Wales Programme		687	0
Net Financing		43,564	44,633
Net increase in cash and cash equivalents in the period		632	545
Cash and cash equivalents at the beginning of the period		1,535	990
Cash and cash equivalents at the end of the period		2,167	1,535

The accounting policies and notes on pages 41 to 63 form part of these financial statements.

Statement of Changes in Taxpayers Equity
for the year ended 31 March 2013

	Note	Revaluation Reserve £000	SoCNE Reserve £000	Total Taxpayers equity £000
Changes in taxpayers' equity for 2011/12.				
Balance at 1 April 2011		720	11,090	11,810
Disposal of revalued property		(103)	103	0
Net loss on revaluation of property, plant and equipment		(150)	0	(150)
Transfers between reserves		1,961	(1,961)	0
Comprehensive Net Expenditure for year		0	(41,261)	(41,261)
Revenue Grant in Aid from WG		0	43,273	43,273
Capital Grant in Aid from WG		0	1,360	1,360
Balance at 31 March 2012		2,428	12,604	15,032
Changes in taxpayers' equity for 2012/13				
Gain on indexation of revalued property	7	35	0	35
Transfers between reserves	20	(74)	74	0
Comprehensive Net Expenditure for year	20	0	(42,262)	(42,262)
Revenue Grant in Aid and other grants from WG	20	0	41,877	41,877
Capital Grant in Aid from WG	20	0	1,000	1,000
Additional GIA from WG - Living Wales Programme	20	0	687	687
Balance at 31 March 2013		2,389	13,980	16,369

The accounting policies and notes on pages 41 to 63 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1 STATEMENT OF ACCOUNTING POLICIES

1.1 Basis of Accounting

The financial statements have been prepared in accordance with the 2012/13 Government Financial Reporting Manual (the FReM) issued by HM Treasury and the Accounts Direction issued by the Welsh Government in accordance with Schedule 6, Paragraph 21(1) of the Environmental Protection Act 1990. The Direction states that financial statements shall be prepared to give a true and fair view and provide disclosure of any material expenditure or income that has not been applied to the purposes intended by the Welsh Government or material transactions that have not conformed to the authorities which govern them.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) adapted and interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Countryside Council for Wales (CCW) for the purpose of giving a true and fair view has been selected. The particular policies adopted by CCW are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

These accounts have been prepared under the historical cost convention modified to account for the revaluation of buildings and dwellings.

1.2 Non-Current Assets

1.2a Capitalisation

The threshold for capitalising assets is £5,000. Assets costing less than £5,000 are charged to the Statement of Comprehensive Net Expenditure in the year of purchase. Similar tangible assets which are individually valued below £5,000 are grouped as one asset when purchased together and the total cost exceeds £5,000. These grouped assets include items such as computers. Subsequent expenditure on an asset is capitalised if the criteria for initial capitalisation are met, i.e. if it is probable that economic benefits will flow to the Countryside Council for Wales and the cost of the expenditure can be reliably measured.

1.2b Valuation policy

Non current assets are carried at fair value, stated at the lower of replacement cost and recoverable amount. Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Freehold and Leasehold Buildings and Dwellings are valued at fair value, and are subject to independent professional revaluation in accordance with the RICS Appraisal and Valuation Standards every five years on the basis of open market valuation, existing use for owner occupied properties or depreciated replacement cost in the case of specialised buildings. In between professional revaluations, values are indexed annually using an appropriate index (as stated in Note 7) under the Modified Historical Cost convention. Adjustments arising from revaluations are taken to the revaluation reserve until the balance in respect of that non current asset is used up, after which the movement is recognised in the Statement of Comprehensive Net Expenditure. Any permanent reductions in value are transferred to the Statement of Comprehensive Net Expenditure.

Assets classified as Heritage Assets are land in designated conservation areas and are held in support of one of the primary aims of increasing knowledge, understanding and appreciation of the Welsh natural environment. Because of the diverse nature of the land held and the lack of comparable market values, CCW considers that obtaining external valuations would involve disproportionate cost. Heritage Assets are therefore held at cost. Acquisitions are normally made by purchase or donation. Purchases are recorded at cost and donations are recorded at a current valuation ascertained by a CCW Land Agent. Preservation costs (expenditure which is required to preserve the heritage land) are recognised in the Statement of Comprehensive Net Expenditure when they are incurred. Further information on Heritage Land can be found in note 7.2.

All other assets are carried at fair value where depreciated historical cost is used as a proxy as these assets have short lives or low values (or both).

1.2c Non-Current assets under construction

All tangible non current assets being developed and not in operation at the year-end are capitalised as a non current asset under construction. They are carried at cost and transferred to the appropriate non current asset category when completed and ready for use. No depreciation is recognised until the non current asset is brought into use.

1.2d Leasehold improvements

Expenditure in respect of major capital refurbishment and improvement of properties occupied but not owned by CCW is capitalised because the expenditure provides a long-term benefit to the organisation.

1.2e Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance (for example, software developed in-house or by third party, software licences, and other licences such as grazing and access rights). CCW holds various intangible assets, which were capitalised at purchase cost where this was in excess of capitalisation thresholds and where future economic benefit will accrue directly from the investment. Purchased computer software licences and development costs of internally generated computer software are amortised over 3 to 10 years reflecting their useful expected life. They are valued at amortised historical cost. Other licences are not depreciated as they have indefinite lives.

1.2f Depreciation/Amortisation

Depreciation / amortisation is provided on all non-current assets from the date of acquisition, other than Heritage Land, non-current Assets Under Construction, assets classified as Held for Sale and Other Licences. An asset under construction at the financial year end is not depreciated until the asset is brought into service. For Transport Equipment the depreciation is calculated using the reducing balance method at an annual rate of 25% calculated monthly. For all other non current assets depreciation is calculated to write off the cost or valuation of each asset evenly by month, including a full month's depreciation in the month of acquisition, over its expected useful life. Initial useful life at acquisition is as follows:

Freehold/Leasehold Buildings & Dwellings:	50 years or professionally estimated useful life
Leasehold Improvements :	Shorter of the remaining lease term and assessed life of improvement
Plant and Machinery	5 – 32 years
Networked Assets	5 - 20 years
Information Technology	3 – 10 years
Software - Licenses & Internally Generated	3 – 10 years

The depreciation is charged to the Statement of Comprehensive Net Expenditure (SoCNE). Assets lives are reviewed annually where the net book value exceeds £1000.

1.2g Non-Current Assets Classified as Held for Sale

Non-current assets are classified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use. Depreciation ceases immediately on the classification of the assets as being held for sale. They are stated at the lower of their carrying amount and fair value less costs to sell. They are recorded as current assets in the Statement of Financial Position.

Non-current assets are only deemed to be assets held for sale if management is committed to a plan to sell and if the asset is being actively marketed in its present condition at a price which is reasonable in relation to its current condition.

1.2h Impairment

Non current assets are subject to annual impairment reviews. Impairments are recognised when the recoverable amount of non-current assets falls below their carrying amount, as a result of either a fall in value owing to market conditions or a loss in economic benefit. Adverse market conditions are reflected by downward movements in revaluation, which on an individual asset basis are firstly set against any accumulated balance in the Revaluation Reserve. Any amount in addition to this is recognised as an impairment and recorded against expenditure. In line with the FReM, any loss of economic benefit is recognised in full against expenditure. An amount to the value of the impairment is transferred from the Revaluation Reserve to the Net Expenditure Reserve for the individual assets concerned.

1.2i Revaluation Reserve

The Revaluation Reserve contains the gains made by the CCW arising from increases in the value of its buildings and dwelling. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

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 transferred from the revaluation reserve to the SoCNE Reserve.

1.2j Sale of Non-Current Assets

The proceeds from the sale of non current assets are surrendered to the Welsh Government, except where the proceeds are used for like-for-like replacement. Non current assets authorised by management to be sold but still owned by Countryside Council for Wales on 31st March are reclassified as Assets Held for Sale under current assets.

1.3 Inventory Valuation

Inventory is valued at the lower of cost and net realisable value.

1.4 Operating Leases

All CCW's leases are leases where substantially all the risks and benefits of ownership of the asset have not transferred to CCW and are therefore classified as operating leases. They are assessed using the criteria as laid down in IAS 17. Costs relating to operating leases are charged to the Statement of Comprehensive Net Expenditure on a straight line basis over the lease term. Lease incentives (such as a rent free period) are recognised as a reduction of the rental expense over the lease term on a straight line basis. Lease premiums are amortized over the lease term.

1.5 Taxation

CCW is not liable to corporation tax or capital transfer tax on gifts and bequests received. Income is shown net of VAT. Expenditure and non current asset purchases are shown inclusive of VAT, which is not recovered.

1.6 Grant in Aid

Government grant in aid and other Welsh Government grants received in year are treated as a financing transaction and credited to the SoCNE Reserve.

1.7 Grants, Research Contracts and Management Agreements

Research expenditure, grants awarded and management agreements payments are charged to the Statement of Comprehensive Net Expenditure when incurred.

1.8 Pension Values

Employers' contributions are payable to the Principal Civil Service Pension Scheme (which the Countryside Council for Wales joined on 1st October 2002) at one of four rates as set out below, based on salary bands.

2012/13 Salary Band £	2012/13 %	2011/12 Salary Band £	2011/12 %
21,500 and under	16.7	21,000 and under	16.7
21,501 to 44,500	18.8	21,001 to 43,000	18.8
44,501 to 74,500	21.8	43,001 to 74,000	21.8
74,501 and over	24.3	74,001 and over	24.3

1.9 Financial Instruments

In accordance with IFRS 7 and IAS 32 the Council has to provide information about the role that derivatives and other financial instruments play in creating or changing the risks that it faces in its activities. 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 at 31st March 2013. CCW has undertaken the EU LIFE+ Anglesey and Llyn Fens project, the EU LIFE+ N2K project and the INTERREG MISE project. These projects accrue receivables denominated in Euros, exposing CCW to currency exchange rate fluctuation risk. Details in Note 9.

1.10 Segmental Reporting

In accordance with IFRS 8 the Council has to disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environment in which it operates. The operating results and segments disclosed in the accounts are regularly reviewed by the Council's Directors Team to make decisions about allocation of resources to those segments and to assess their performance. Staff costs are apportioned according to the time spent by staff on each of the three work areas, as recorded on our Time Recording system

1.11 Short Term Employee Benefits

Employees earn annual leave entitlements as they provide services to the organisation. The entitlement accrues evenly throughout the year and employees are entitled to carry forward limited leave not taken within their individual leave cycle into the following year's entitlement. Employees who leave CCW's employment are entitled to cash payment in respect of any unused entitlement.

The cost of providing this benefit is recognised in the period in which the employee earns the benefit, rather than when it is paid or payable and value of untaken leave is shown as a liability in the Statement of Financial Position.

1.12 Provisions

Provisions are recognised when CCW has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. CCW makes all appropriate provisions where these meet the definition within IAS 37.

1.13 Estimation Technique

Provision for Annual Compensation Payments (Note 15) are estimated as follows:-

Annual payments due until member of staff reaches 60 years of age are estimated using the latest monthly payments made. These payments are adjusted for inflation from age 55 using the previous September's inflation rates as given in Table 16 of the Treasury's Pocket Data Bank (2.2% in September 2012). The same rate is used for all future years. The annual costs for future years are discounted to Net Present Value using the discount rate issued by the Treasury (2.35% for 2012-13 accounts per PES (2011) 08).

Accrual for EU LIFE+ funding due for the Anglesey and Llyn Fens Project is calculated using the exchange rate as at 8 May 2013. The funding is due to be received during 2014.

The cost of untaken leave for all staff is estimated by extrapolating the actual cost of the 327 full time staff who record their leave electronically .

1.14 Contingent Liabilities

The CCW discloses possible obligations arising from past events where the outcome is based on uncertain future events or for a present obligation that is not recognised because it is not probable, or cannot be measured reliably. These are disclosed in note 19.

1.15 Contingent Assets

The CCW discloses possible assets arising from past events whose existence will only be confirmed by uncertain future events not wholly within its control. These are disclosed in note 19.

2. Prior period adjustment

There were no prior period adjustments for 2012/13.

3. Analysis of net expenditure by segment

IFRS 8 requires operating segments to be identified on the basis of internal reports reflecting components of the organisation that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

In CCW the components for 2012/13 were the programmes used for planning our work and reporting to the Welsh Government; - Wildlife and Landscape [WL], People, Economy and Environment [PEE], and Managing for the Future [MF]. These are the same as for 2011/12.

Net Expenditure relating to non-current assets, (depreciation and surplus on disposal) are not allocated to individual programmes. Staff costs are apportioned according to the time recorded by staff under each programme on CCW's Time Recording system. Segmental reporting is not used for CCW's assets.

2012/13 Net Expenditure

	WL	PEE	MF	Unallocated	Total
Expenditure	£000	£000	£000	£000	£000
Staff Costs and Council Members' Remuneration	6,907	3,969	8,144	0	19,020
Other Operating Charges	104	79	5,057	0	5,240
Depreciation and Amortisation	0	0	0	1,179	1,179
Impairment of Non-current assets	0	0	0	115	115
Programme expenditure:					
National Nature Reserves and Site Protection	4,238	17	57	0	4,312
Scientific and Technical Support	1,655	404	65	0	2,124
Operational Support	655	1,148	719	0	2,522
Grants Payable	1,307	2,904	7,800	0	12,011
	14,866	8,521	21,842	1,294	46,523
Income					
Income from Activities	(375)	(219)	(34)	0	(628)
European Income: paid to Third Parties	0	(2,132)	0	0	(2,132)
European Income: Retained by CCW	(323)	(1,185)	0	0	(1,508)
Net surplus on disposal of non-current assets	0	0	0	(12)	(12)
	(698)	(3,536)	(34)	(12)	(4,280)
Net Expenditure	14,168	4,985	21,808	1,282	42,243

2011/12 Expenditure

	WL	PEE	MF	Unallocated	Total
Expenditure	£000	£000	£000	£000	£000
Staff Costs and Council Members' Remuneration	6,703	4,105	8,054	0	18,862
Other Operating Charges	53	76	5,127	0	5,256
Depreciation and Amortisation	0	0	0	1,376	1,376
Programme expenditure:					
National Nature Reserves and Site Protection	4,607	10	16	0	4,633
Scientific and Technical Support	1,865	260	25	0	2,150
Operational Support	771	516	900	0	2,187
Grants Payable	990	3,217	8,335	0	12,542
	14,989	8,184	22,457	1,376	47,006
Income					
Income from Activities	(206)	(76)	(73)	0	(355)
European Income: paid to Third Parties		(2,108)	0	0	(2,108)
European Income: Retained by CCW	(884)	(638)	0	0	(1,522)
Net surplus on disposal of non-current assets	0	0	0	(25)	(25)
	(1,090)	(2,822)	(73)	(25)	(4,010)
Net Expenditure	13,899	5,362	22,384	1,351	42,996

4. Staff numbers and related costs

4.1 Staff costs comprise:

	2012/13			2011/12
	£000	£000	£000	£000
		Permanently	Other	
	Total	Employed	Staff	Total
Wages and salaries	15,160	14,707	453	14,713
Social security costs	1,154	1,148	6	1,110
Other pension costs	2,726	2,723	3	2,711
Sub Total	19,040	18,578	462	18,534
Less Recoveries in respect of Outwards Secondments	(253)	(253)	0	(183)
Net Salary costs	18,787	18,325	462	18,351
Lump Sum Compensation Payments and Early Severance Costs	265	265	0	320
Movement in Accrued Holiday Pay	(65)	(65)	0	55
Provision for HR Liability	25	25	0	0
Transfer from Provision for Annual Compensation Payments (Note 15)	(79)	(79)	0	54
Cost of Salary Sacrifice Scheme	87	87	0	82
Total Staff Costs	19,020	18,558	462	18,862

Details of the Pension Scheme are given on pages 24 and 25 of these Accounts

Employers' contributions are payable to the Principal Civil Service Pension Scheme (which the Countryside Council for Wales joined on 1st October 2002) at one of four rates, details given in Note 1.8 of these accounts.

Salary costs of £1,291k are included above for staff working directly for the Living Wales Programme (setting up Natural Resources Wales).

Council Members Costs (included above)

	2012/13	2011/12
	£000	£000
Chair's Remuneration including National Insurance and Pension costs	56	69
Other Council Members' Remuneration including National Insurance	70	82
Total	126	151

The Chair and Council Members are appointed by the Welsh Ministers.

The Chair's post is a part-time pensionable appointment equivalent to 130 days a year. The change in the Chair's remuneration is due to additional pension contributions incurred during 2011/12.

Council members are appointed on a part-time basis equivalent to 30 days a year.

The Chairman and Council member appointed to the board of JNCC work additional days equivalent to 12 days a year. Appointments as Council Members are non-pensionable.

4.2 Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows:

	2012/13			2011/12
	Total	Permanently Employed Staff	Others	Total
Directly Employed	479	441	38	472
Other	10	0	10	6
Total	489	441	48	478

4.3 Reporting of Civil Service and other compensation schemes - exit packages

Exit package cost band	Number of compulsory early retirements	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	0 (1)	0 (1)
£10,000 -£ 25,000	-	0 (4)	0 (4)
£25,000 -£ 50,000	-	1 (3)	1 (3)
£50,000 -£100,000	-	0 (2)	0 (2)
£100,000-£150,000	-	2 (0)	2 (0)
Total number of exit packages	0(0)	3 (10)	3 (10)
		£000	£000
Total resource cost	£0 (£0)	£265 (£320)	£265 (£320)

Comparative figures for 2011/12 shown in brackets.

Exit package costs in 2012/13 consist of one-off lump sums.

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit package costs are accounted for in full in the year they are agreed.

5. Programme Expenditure

5.1 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.

	2012/13	2011/12
	£000	£000
General Reserve Expenditure		
Reserve Maintenance	1,759	2,037
Reserve Building rents	74	82
Reserve Leases	61	69
Reserve Section 16 Management Agreements	287	299
Section 15 Management Agreement Costs		
Annual payments including Arrears to owners and occupiers	1,313	1,375
Annual & Works Costs	380	508
Monitoring and Management Planning		
Monitoring	49	7
Site Protection	201	110
Associated Legal Costs		
Public Enquiries	42	0
Legal Costs Relating to Management Agreements	122	127
Other Costs		
Other Activities [Wayleaves, Licences etc]	19	8
Land Agency Consultancies	5	11
Total	<u>4,312</u>	<u>4,633</u>

5.2 Scientific and Technical Support

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

	2012/13	2011/12
	£000	£000
Natural Science Resource Base	1,099	1,184
Cultural Resource Base	104	89
Environmental Monitoring	274	416
Science / Policy Impact Studies	62	23
Research to Develop Policy	485	332
Experiments in Sustainability	100	106
Total	<u>2,124</u>	<u>2,150</u>

5.3 Operational Support

	2012/13	2011/12
	£000	£000
Operational Projects (non Research)	1,063	507
Cartography Costs	9	0
Data Systems	203	421
Library Costs	82	75
Running Cost of Operational Equipment	71	86
Publicity, Information & Education	602	566
Misc Operational Costs	492	532
Total	<u>2,522</u>	<u>2,187</u>

Operational support costs of £19k are included above for direct work on the Living Wales Programme (setting up Natural Resources Wales).

5. Programme Expenditure (continued)

	2012/13			2011/12
	£000	£000	£000	£000
5.4 Grants Payable				
	Total	Public Sector	Not for Profit Entities	Total
Capital	81	0	81	89
Biodiversity	1,777	740	1,037	1,741
Landscape	620	544	76	472
Awareness	489	126	363	563
Access	677	628	49	658
External Training	41	24	17	41
Education	205	0	205	254
Environment for All / Community Strategy	194	62	132	478
Partnership Agreements	476	30	446	741
Sustainable Development	26	7	19	37
CCW Grants	4,586	2,161	2,425	5,074
Special Initiatives	4,200	3,214	986	4,131
Sustainable Development Fund & Review of Consents	350	350	0	453
European Funding to Partners	2,132	1,622	510	2,108
JNCC Funding	743	743	0	776
Other Grants	7,425	5,929	1,496	7,468
Total	12,011	8,090	3,921	12,542

	2012/13	2011/12
	£000	£000
Accommodation Costs	768	1,742
Operating Lease rentals	896	970
Transport Costs	238	218
General Office Costs	309	292
Purchase of Equipment and Consumables	125	170
Hire & Maintenance of Equipment	30	14
Training	263	302
Travel and Subsistence	403	293
Information Systems Development	1,657	912
Corporate Services General	307	251
Miscellaneous Legal Costs	35	34
Operational Legal Costs	5	2
Audit Fee - Statutory	38	38
Audit Fee- non statutory	9	12
Repayment of Bank Interest	2	4
Movement in stock	(5)	0
Contractual Payment	61	0
Write offs and Movement on Bad Debt Provision	99	2
Total	5,240	5,256

Costs of £289k are included in note 5.5 above for direct costs on the Living Wales Programme (setting up Natural Resources Wales).

6. Income

	2012/13 £000	2011/12 £000
6.1 Income and grants from UK		
Income from National Nature Reserves	64	75
Refunds and Services Provided	80	77
Salary Deductions	12	9
Electricity generation	10	10
Grants and collaborative projects	462	184
Total	628	355
6.2 Grants from the European Community paid to third parties		
Grants from the EDRF Convergence Fund	2,132	2,108
Total	2,132	2,108
6.3 Grants from the European Community for work done by CCW		
Grants from the EDRF Convergence Fund	1,101	536
Grant from the European Fisheries Fund	83	102
Grant from the EU INTERREG Fund	24	54
LIFE Programme Grants	300	830
Total	1,508	1,522

7. Tangible Non-Current Assets

7.1 Property Plant and Equipment (PPE)

2012/13	Freehold Buildings £000	Assets Under Construction	Leasehold Buildings £000	Leasehold Improvements £000	Dwellings £000	Information Technology £000	Transport Equipment £000	Plant & Machinery £000	Networked Assets £000	SUBTOTAL PPE £000	Heritage Assets £000	TOTAL £000
Cost or Valuation												
At 1 April 2012	2,754	0	393	421	188	3,825	1,555	3,406	385	12,927	5,835	18,762
Additions	1	0	0	10	0	128	193	206	0	538	373	911
Disposals	0	0	0	0	0	(182)	(229)	(238)	0	(649)	0	(649)
Reclassifications	0	0	0	0	0	0	0	0	0	0	0	0
Indexation	29	0	4	0	2	0	0	0	0	35	0	35
At 31 March 2013	2,784	0	397	431	190	3,771	1,519	3,374	385	12,851	6,208	19,059
Depreciation												
At 1 April 2012	0	0	0	226	0	3,086	788	2,412	56	6,568	0	6,568
Charged in year	29	0	4	58	0	311	175	161	57	795	0	795
Disposals	0	0	0	0	0	(182)	(175)	(236)	0	(593)	0	(593)
Impairment	0	0	0	0	0	0	0	115	0	115	0	115
Indexation	56	0	7	0	4	0	0	0	0	67	0	67
At 31 March 2013	85	0	11	284	4	3,215	788	2,452	113	6,952	0	6,952
Carrying amount at 31 March 2013	2,699	0	386	147	186	556	731	922	272	5,899	6,208	12,107
Carrying amount at 1 April 2012	2,754	0	393	195	188	739	767	994	329	6,359	5,835	12,194
Asset Financing												
Owned	2,699	0	386	147	186	556	731	922	272	5,899	6,208	12,107
Carrying amount at 31 March 2013	2,699	0	386	147	186	556	731	922	272	5,899	6,208	12,107

The freehold and leasehold buildings and dwellings are independently revalued every five years. These assets were revalued as at 31 March 2012 by independent professional valuers Alder King (Chartered Surveyors).

In between professional revaluations, they are indexed annually using the FTSE All UK Property Index under the Modified Historical Cost convention.

The total impairment charge for the year was £115,00 which was recognised in full in the SoCNE.

7.1 Property plant and equipment continued

2011/12	Freehold Buildings	Freehold Buildings Under Construction	Leasehold Buildings	Leasehold Improvements	Dwellings	Information Technology	Transport Equipment	Plant & Machinery	Networked Assets	SUBTOTAL PPE	Heritage Assets	TOTAL
	£000		£000	£000	£000	£000	£000	£000	£000		£000	£000
Cost or Valuation												
At 1 April 2011	986	19	1,030	420	193	3,685	1,600	3,307	248	11,488	5,185	16,673
Additions	7	324	0	1	0	324	117	253	166	1,192	650	1,842
Disposals	0	0	(438)	0	0	(184)	(162)	(154)	(29)	(967)	0	(967)
Reclassifications	333	(343)	0	0	10	0	0	0	0	0	0	0
Revaluation (Reserve)	(2)	0	(148)	0	0	0	0	0	0	(150)	0	(150)
Net Revaluation to SoCNE	1,430	0	(51)	0	(15)	0	0	0	0	1,364	0	1,364
At 31 March 2012	2,754	0	393	421	188	3,825	1,555	3,406	385	12,927	5,835	18,762
Depreciation												
At 1 April 2011	204	0	273	151	15	2,847	718	2,262	15	6,485	0	6,485
Charged in year	33	0	7	75	7	423	201	303	46	1,095	0	1,095
Disposals	0	0	(151)	0	0	(184)	(131)	(153)	(5)	(624)	0	(624)
Revaluation Adjustment (SoCNE)	(237)	0	(129)	0	(22)	0	0	0	0	(388)	0	(388)
At 31 March 2012	0	0	0	226	0	3,086	788	2,412	56	6,568	0	6,568
Carrying amount at 31 March 2012	2,754	0	393	195	188	739	767	994	329	6,359	5,835	12,194
Carrying amount at 1 April 2011	782	19	757	269	178	838	882	1,045	233	5,003	5,185	10,188
Asset Financing												
Owned	2,754	0	393	195	188	739	767	994	329	6,359	5,835	12,194
Carrying amount at 31 March 2012	2,754	0	393	195	188	739	767	994	329	6,359	5,835	12,194

The freehold and leasehold buildings and dwellings are independently revalued every five years. These assets were revalued as at 31 March 2012 by independent professional valuers Alder King (Chartered Surveyors). Additions to one freehold building owned by CCW were part funded by the Communities and Nature ERDF grant during the year. The grant received was £153k and the asset was valued at £237k as at 31 March 2012.

7.2 Non operational Heritage Assets

Land owned by CCW has been classified as non-operational Heritage Assets. Under IFRS these assets have been capitalised at cost.

As at March 2013 there are 76 National Nature Reserves (NNRs) and 1 Marine Nature Reserve (MNR) in Wales: 41 NNRs are managed by CCW; 19 are managed by CCW in partnership; a further 16 are managed by 3rd parties. CCW also has 9 non-NNR landholdings (some pending declaration).

In 2012-13 CCW was the body responsible for declaring National Nature Reserves (NNRs) in Wales. NNRs may be declared in three ways (all may apply on any given NNR):

1. Land owned or leased by CCW may be declared under Section 19 of the National Parks and Access to the Countryside Act, 1949.
2. Through an agreement with the owner, lessee or occupier of the land – a Section 16 Agreement or Nature Reserve Agreement (NRA)
3. Under Section 35(1) of the Wildlife and Countryside Act, 1981 (as amended, 1985) which allows for land owned and managed as a nature reserve by other approved bodies to be declared as an NNR, without the need for an NRA.

	31 March 2013
	Hectares
Declared NNR/MNRs:	
Owned by CCW (per Note 7.1)	10,416
Leased by CCW	7,463
S16 agreements	11,096
S35 agreements	2,882
Total	<u>31,857</u>
Undeclared landholdings/non NNR sites:	
Owned by CCW (per Note 7.1)	490
Leased by CCW	32
	<u>522</u>

A review of all land holdings was undertaken during the year which has resulted in an increase in the areas reported above. During the year 83 hectares of undeclared land was purchased at a cost of £373,000 and 59 hectares of undeclared land was declared.

CCW's policy for the acquisition, preservation, management and disposal of heritage assets

Acquisition

If and when, whole or sections of, declared NNRs become available for land purchase CCW's Directors Team will consider the merits of purchase and/or may encourage partners/other approved bodies to do so, and may offer assistance through grants.

Preservation/management

All NNRs are managed in accordance with an approved management plan, which include conservation objectives from all recognised features of interest and identifies necessary projects and work programmes. The plans are reviewed periodically and the necessary implementation of the work identified in plans checked by CCW's Conservation Management Team through a rolling programme of reviews/environmental audits.

Disposal

A full review of the NNR series in Wales is carried out at least every five years to ensure that all reserves continue to contribute significantly to CCW's Corporate Vision for the NNR suite. Where they fail to do so, necessary remedies will be identified and/or a recommendation made to management that a given NNR be de-declared.

Access

CCW have an agreed access policy for NNRs which in summary aims to encourage sustainable public use.

The following policies will be applied to all the NNRs that CCW manage:

CCW will declare all land in CCW ownership and, whenever possible, land in CCW's control, as 'dedicated land' under the Countryside Rights of Way (CROW) Act.

- In all cases CCW will consult with local communities and other stakeholders before proceeding with dedication.
- For land under CCW control, for example, lease or agreements, CCW will consult with and seek the full agreement of all owners and occupiers before proceeding with dedication.
- Whenever necessary, access restrictions will be applied to sites, or parts of sites, where such restrictions are essential for the protection of the conservation features.

CCW will encourage the sustainable public use of National Nature Reserves in Wales in so far as such use:

- Is consistent with CCW's duty to maintain or restore the nature conservation and geological features to Favourable Conservation Status
- Does not expose visitors or staff, including contractors, to any significant hazards

All legitimate and lawful activities will be permitted in so far as these activities:

- Are consistent with CCW's duty to maintain or restore the nature conservation and geological features to Favourable Conservation Status
- Do not expose visitors or staff, including contractors, to any significant hazards
- Do not diminish the enjoyment of other visitors to the site

8. Intangible assets

2012/13	Software Licences £000	Other Licences £000	Software Development Expenditure £000	TOTAL £000
Cost or valuation				
At 1 April 2012	2,153	230	1,854	4,237
Additions	120	219	0	339
Disposals	(46)	0	0	(46)
At 31 March 2013	2,227	449	1,854	4,530
Amortisation				
At 1 April 2012	1,645	0	1,728	3,373
Charged in year	250	0	67	317
Disposal	(46)	0	0	(46)
At 31 March 2013	1,849	0	1,795	3,644
Carrying Amount at 31 March 2012	508	230	126	864
Carrying Amount at 31 March 2013	378	449	59	886
Asset Financing				
Owned	378	449	59	886
Carrying Amount at 31 March 2012	378	449	59	886
2011/12	Software Licences £000	Other Licences £000	Software Development Expenditure £000	TOTAL £000
Cost or valuation				
At 1 April 2011	2,009	217	1,814	4,040
Additions	165	13	40	218
Disposals	(21)	0	0	(21)
At 31 March 2012	2,153	230	1,854	4,237
Amortisation				
At 1 April 2011	1,460	0	1,649	3,109
Charged in year	202	0	79	281
Disposal	(17)	0	0	(17)
At 31 March 2012	1,645	0	1,728	3,373
Carrying Amount at 31 March 2011	549	217	165	931
Carrying Amount at 31 March 2012	508	230	126	864
Asset Financing				
Owned	508	230	126	864
Carrying Amount at 31 March 2012	508	230	126	864

9. Financial Instruments

As the majority of the cash requirements of CCW are met through Grant in Aid provided by the Welsh Government, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. CCW is not exposed to significant liquidity risk.

Interest rate risk

All interest received on our bank accounts is repayable to the Welsh Government, or to the European Union in the case of funds provided by the European Union. CCW has no borrowings. CCW is therefore not exposed to interest rate risk.

Credit risk

CCW is exposed to credit risk to the extent of non-performance by its counterparties in respect of receivables. As the majority of CCW's counterparties are other public sector bodies the credit risk is considered to be minimal.

Foreign currency risk

CCW undertakes foreign currency transactions to convert the grant received from the European Union LIFE+ fund towards the Anglesey and Llyn Fens Project from Euro to Sterling. CCW will be exposed to an exchange rate risk between the time that it calculates a grant claim from a sterling cost base until the time that the grant is paid in Euros and converted into sterling. This foreign currency risk is not considered material in the context of the overall activity of CCW.

Long term agreement risk

CCW has entered into long term agreements with the Welsh European Funding Office and with the European Union to deliver EU funded projects. Under these agreements CCW could be liable to repay agreed funding where European Auditors are not satisfied with how the funding has been utilised. This applies with work undertaken by CCW and also by our third sector partners. Systems and contracts have been put in place to ensure that this risk is minimised and is part of a continual assessment process. At present this is being managed and is not considered material.

10. Assets Held For Sale

On 31 March 2013 eleven vehicles with an estimated value of £34,000 were held for sale (2011/12 £nil). The vehicles will be sold at auction in April and May 2013. The value of these assets (cost £132,000, cumulative depreciation £98,000) has been removed from Note 7.1 as disposals.

11. Inventories

	31 March 2013	31 March 2012
	£000	£000
Stock at Ynys Las Shop	12	7
Total	12	7

12. Trade receivables and other current assets

	31 March 2013	31 March 2012
	£000	£000
Amounts falling due within one year		
Trade Receivables	1,168	156
Provision for doubtful debts	(97)	0
Prepayments and Accrued Income	2,950	3,420
Deposits and Advances	0	206
Other Receivables	2	4
Total	4,023	3,786
Analysis of receivables		
Other Central Government Bodies	2,905	1,985
Local Authorities	14	177
Bodies External to Government	1,104	1,624
Total	4,023	3,786

Accrued income includes £1.868m of European Funding (£2.512m at 31 March 2012)

13. Cash and cash equivalents

	31 March 2013	31 March 2012
	£000	£000
Balance at 1 April	1,535	990
Net Change in Cash and Cash Equivalent Balances	632	545
Balance at 31 March	2,167	1,535
The following balances were held at 31 March		
Government Banking Service	2,161	1,529
Cash in hand	6	6
Balance at 31 March	2,167	1,535

14. Trade payables and other current liabilities

	31 March 2013	31 March 2012
	£000	£000
VAT	20	5
Other Taxation and Social Security	15	11
Trade Payables	167	654
Deferred EU Income	161	0
Other Accruals and Deferred Income	1,148	674
	1,511	1,344
Other liabilities: Untaken Staff Leave	453	518
Total	1,964	1,862
Analysis of Payables		
Other Central Government Bodies	315	302
Local Authorities	223	273
Bodies External to Government	1,426	1,287
Total	1,964	1,862

15. Provisions for liabilities and charges

15.1 Movement in year

	31 March 2013			31 March 2012
	£000 Staff	£000 Trade	£000 Total	£000 Total
Balance at 1 April 2012	1,192	300	1,492	1,346
Additional provision provided in the year	25	0	25	427
Unused provision in the year	(79)	(156)	(235)	0
Provisions used in the year	(342)	(144)	(486)	(314)
Increase in provision due to lower discount rate	7	0	7	2
Unwinding of discount	25	0	25	31
Balance at 31 March 2013	828	0	828	1,492

	31 March 2013 £000	31 March 2012 £000
Provisions - Current Liabilities	248	648
Provisions - Non-current Liabilities	580	844
Total	828	1,492

A provision has been made for the annual compensation payments to be made for staff who left CCW in March 2006, in March 2010, and during 2010/11 under the Early Retirement Programmes. These payments will remain in force until each individual reaches pensionable age of 60 (last payment due in 2021). This provision represents the estimated future cost to CCW, calculated assuming an annual increase of 2.2% in the payments made (5.2% for 2011/12). The estimated payments have been discounted by the Treasury discount rate of 2.35% (2.8% for 2011/12).

An estimated provision of £25k has been created for a HR liability. Expenditure should be incurred during 2013-14

15.2 Analysis of expected timing of discounted flows

From April 2013 to March 2014	248
From April 2014 to March 2018	531
From April 2018 to March 2021	49
Total Provision at 31 March 2013	828

16. Capital commitments

Contracted capital commitments at 31 March 2013 not otherwise included in these financial statements.

	31 March 2013 £000	31 March 2012 £000
Property Plant & Equipment		
Plant & Machinery	0	45
Total	0	45
Intangible Assets		
Information Technology -Software Licences	25	12
Total	25	12

17. Commitments under Leases

17.1 Operating leases

Total future minimum total lease payments under operating leases are given in the table below for each of the following periods.

	31 March 2013			31 March 2012
	£000	£000	£000	£000
Obligations under operating leases are:				
	Land	Buildings	TOTAL	TOTAL
Land and Buildings				
Between April 2013 to March 2014	89	917	1,006	893
Between April 2014 to March 2018	229	2,642	2,871	2,633
April 2018 onwards	1,453	2,381	3,834	4,381
Total value of obligations	<u>1,771</u>	<u>5,940</u>	<u>7,711</u>	<u>7,907</u>
Other Operating Leases				
From April 2013 to March 2014			38	32
From April 2014 to March 2018			25	53
From April 2018 onwards			0	0
Total value of obligations			<u>63</u>	<u>85</u>

17.2 Finance leases

CCW has no finance leases.

17.3 Financial Liability

£68k has been charged as a financial liability to adjust payments made under an operating lease to a straight line basis over the lease term.

18. Other financial commitments

CCW has entered into non-cancellable contracts (which are not leases or PFI contracts) for Purchases, Land Management Agreements and Grants. The total payments to which CCW is committed at 31 March 2013, are as follows.

	31 March 2013	31 March 2012
	£000	£000
From April 2013 to March 2014	7,066	8,787
From April 2014 to March 2018	5,718	4,851
From April 2018 onwards	880	550
Present value of obligations	<u>13,664</u>	<u>14,188</u>

19. Contingent Liabilities and Assets

Contingent Liabilities

CCW has no contingent liabilities at 31 March 2013

Contingent Asset

CCW has made an insurance claim in respect of an item of equipment which was destroyed in a fire in March 2013. The asset has a carrying amount of £125,000. The asset is insured on a fully comprehensive basis and it is of the opinion that this claim is probable to be met during 2013.

20. Movement on Reserves

20.1 Movement on Revaluation Reserve

	2012/13	2011/12
	£000	£000
Balance at 1st April	2,428	720
Gain on indexation of revalued property	35	0
Transfer of realised revalued depreciation to SoCNE Reserve	(74)	0
Disposal of revalued property. Balance transferred to SoCNE Reserve	0	(103)
Five year revaluation of freehold and leasehold buildings and dwellings :		
Revaluation Loss against previous gain	0	(150)
Revaluation Gain	0	1,961
Total Balance on Reserve at 31 March	<u>2,389</u>	<u>2,428</u>

20.2 Movement on SoCNE Reserve

	2012/13	2011/12
	£000	£000
Balance at 1st April	12,604	11,090
Transfer of realised revalued depreciation from Revaluation Reserve	74	0
Transfer to Revaluation Reserve: Five year revaluation	0	(1,961)
Disposal surplus on Revaluation Reserve	0	103
Net Expenditure	(42,262)	(41,261)
Revenue Grant in Aid and other grants from WG	41,877	43,273
Capital Grant in Aid from WG	1,000	1,360
Additional GIA from WG - Living Wales Programme	687	0
Total Balance on Reserve at 31 March	<u>13,980</u>	<u>12,604</u>

21. Events after the reporting period

From the 1st April 2013 all the functions of CCW were taken over by Natural Resources Wales .

22. Related Parties

The Countryside Council for Wales is an Welsh Government Sponsored Body.

Welsh Government is regarded as a related party. During the year the Countryside Council for Wales has had various material transactions with the Welsh Government and with other entities for which the Welsh Government is regarded as the parent department - Sports Council for Wales, Visit Wales and Cadw. In addition, the Countryside Council for Wales has had transactions with other Government Departments and bodies. The Countryside Council for Wales, Natural England, Scottish National Heritage and the Department of Environment in Northern Ireland execute their joint functions through the Joint Nature Conservation Committee and provide funding for the Committee on an agreed proportionate basis.

During the year, The Countryside Council for Wales, in the normal course of its business, entered into transactions with the following organisations in which Council Members, members of the key management staff or other related parties have an interest:

22a. Chairman

Mr Morgan Parry is a Director of JNCC and JNCC Support Company Ltd

During the year the following transactions took place with JNCC:

	£000
Expenditure	55

22b Council Members

Dr Ieuan Joyce is a member of the JNCC and a Director of the JNCC Support Company Ltd

During the year the following transactions took place with the JNCC:

	£000
Expenditure	55

Dr Ieuan Joyce is a member of the Advisory Committee for Releases to the Environment - DEFRA

During the year the following transactions took place with the DEFRA:

	£000
JNCC Grant in Aid	743
Expenditure	10
Income	32

Dr Ieuan Joyce is a trustee of Elan Valley Trust

During the year the following transactions took place with ELAN;

	£000
Expenditure	11
Grants	9

Mr Patrick O'Reilly is a committee member of the Orchid Study Group associated with the National Botanic Garden of Wales (NBGW)

During the year the following transactions took place with the NBGW:

	£000
Expenditure	16
Grants	49

Mr Alan Underwood was a Director / Trustee of the Wales Council for Voluntary Action (WCVA) until December 2012.

During the year, the following transactions took place with the WCVA:

	£000
Expenditure	17

Mr Alan Underwood's wife is a Welsh Government appointed board member of the Brecon Beacons National Park Authority.

During the year, the following transactions took place with Brecon Beacons National Park Authority:

	£000
Expenditure	10
Grants	107
Income	2

Mr Alan Underwood's wife was a Director of the Powys and Brecon Beacons National Park Environmental Records Centre Ltd until September 2012.

During the year, the following transactions took place with the entity:

	£000
Expenditure	31

Ms Lynnette Thomas is Associate Director of Planning at Cardiff University.

During the year the following transactions took place with the Cardiff University:

	£000
Expenditure	2

22c CHIEF EXECUTIVE

Mr Roger Thomas is the Chairman of Tir Coed.

During the year, the following transactions took place with Tir Coed:

	£000
Expenditure	36
Grants	31

Mr Roger Thomas is a Trustee of Ponds Conservation Trust

During the year, the following transactions took place with the Ponds Conservation Trust:

	£000
Expenditure	18
Grants	14

Mr Roger Thomas is the Chairman of Coed Cymru Cyf

During the year the following transactions took place with Coed Cymru Cyf:

	£000
Grants	30

22d SENIOR MANAGEMENT

Dr David Worrall's partner Dr Madeleine Havard is a Trustee & Chair of Wales Environment Link

During the year, the following transactions took place with the Wales Environment Link:

	£000
Grants	30

Dr David Worrall's partner Dr Madeleine Havard is a Board Member for Wales of Environment Agency

During the year, the following transactions took place with the Environment Agency:

	£000
Expenditure	294
of which was owing by CCW at year end	229
Income	39
of which was owed to CCW at year end	35

Dr David Parker is a Director of Plantlife International Ltd

During the year, the following transactions took place with Plantlife International Ltd.:

	£000
Expenditure	35
Grants	98

The Certificate and Report of the Auditor General for Wales to the National Assembly for Wales

I certify that I have audited the financial statements of Countryside Council for Wales for the year ended 31 March 2013 under paragraph 21 of Schedule 6 to the Environmental Protection Act 1990. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and the Statement of Changes in Taxpayers Equity and the related notes which include a remuneration report. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Chief Executive and auditor

As explained more fully in the Statement of Chief Executive's Responsibilities, the Chief Executive is responsible for preparing the Annual Report, which includes the Remuneration Report and the financial statements, in accordance with the paragraph 21 of Schedule 6 to the Environmental Protection Act 1990 and Welsh Ministers' directions made there under and for ensuring the regularity of financial transactions. My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with applicable law and with International Standards on Auditing (UK and Ireland). These standards require me to comply with the Auditing Practice Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to Countryside Council for Wales' circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Countryside Council for Wales; and
- the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that 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 who govern them.

In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on Financial Statements

In my opinion the financial statements:

- give a true and fair view of the state of Countryside Council for Wales' affairs as at 31 March 2013 and of its net expenditure, recognised gains and losses and cash flows for the year then ended; and
- have been properly prepared in accordance with Welsh Ministers' directions issued under the Environmental Protection Act 1990.

Opinion on Regularity

In my opinion, 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.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Welsh Ministers' directions made under the Environmental Protection Act 1990; and
- the information included within the Annual Report is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- the Annual Governance Statement does not reflect compliance with HM Treasury guidance;
- proper accounting records have not been kept;
- information specified by HM Treasury regarding the remuneration and other transactions is not disclosed; or
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Huw Vaughan Thomas
Auditor General for Wales
24 Cathedral Road
Cardiff
CF11 9LJ
29 July 2013