



Review of policies and current situation in the United Kingdom and Wales

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Cyngor Sir Powys County Council, UK

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1. POLICY ON NATURAL AREAS IN THE UNITED KINGDOM AND WALES

Map of The United Kingdom and Wales (including Powys county)



Source: European Commission <http://europa.eu/abc/maps/>

1.2 THE NATIONAL LEGISLATION OF UK GOVERNING THE FUNCTIONING OF NATURAL AREAS

List of policies (e.g. for UK the Environmental Protection Act 1990)

- Town and Country Planning Act 1990
- Planning Policy Wales 2002
- The Planning & Compulsory Purchase Act 2004
- Powys Unitary Development Plan (UDP), 2001-2016.

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Powys Local Development Plan (LDP), 2011-2026 (will replace the Powys UDP).

National Parks & Access to the Countryside Act 1948

Commons Registration Act 1965.

Highways Act 1980

Wildlife & Countryside Act 1981

Rights of Way Act 1995

Disability Discrimination Act 1995

Environment Act 1995

Town and Country Planning (Trees) Regulations 1999

Natural Environment and Rural Communities Act 2006

(up to 1000 characters)

Brief description

In the UK legislation is set out in Acts of Parliament (Acts) – documents agreed by government and enforceable through courts of law. Development in the countryside is primarily regulated through Planning Acts. However, specific laws are set out in many other Acts and often the needs of these Acts will be considered as action within the application of planning regulations, this is known as ‘material consideration’ within planning law. The powers of Individual Acts may be altered through amendments or added to by specific regulations. For Example: The Hedgerow Regulations 1997 were made under section 97 of the Environment Act 1995 and came into force in 1997. They introduced new arrangements for local authorities to protect important hedgerows in the countryside, by controlling their removal through a system of notification.

Important Planning policy and law includes:

Planning Policy Wales (March 2005) this sets out land use policy and provides a strategic framework for the preparation of local authority development plans. Technical Advice notes set out supplementary policy guidance on a number of topics.

The Town and Country Planning Act 1990: Principal planning Act for England and Wales revised and altered by subsequent Acts (e.g. Planning Act 2008).

Powys Unitary Development Plan (UDP), 2001-2016 Policy framework for forward planning, proposals and allocations for future developments. The basis on which consistent development control decisions can be

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made. Includes policies & proposals relating to Economy, including agriculture, forestry, industry, business, retail and other employment-generating and wealth-creating development; Chapter 6 specifically relates to the economy.

Powys Local Development Plan (LDP), 2011-2026: The Planning & Compulsory Purchase Act 2004 require a Local Development Plan for Powys (excluding the Brecon Beacons National Park – which produces its own as it has powers as a planning authority) which, once adopted, will replace the Powys UDP.

Legal safeguarding of wildlife and the countryside is set out in the Wildlife & Countryside Act 1981, there are four parts to the Act: wildlife; Nature Conservation, Countryside and National Parks; Public Rights of Ways; Miscellaneous and General

(up to 4000 characters in total)

1.2 THE EXISTING MANAGEMENT STRUCTURES OF NATURAL AREAS

Brief description of the designation (e.g. for UK National Parks, in France – Grand Sites)

National Parks & Access to the Countryside Act 1948: Introduced the idea of designated areas of land as National Parks and Areas of Outstanding Natural Beauty (AONBs).

The Countryside and Rights of Way Act 2000 included the establishment of conservation boards and set a requirement for publishing a management plan for AONBs.

National Nature Reserves Designation can be used to secure land from damage, degradation or mismanagement and take it out of private ownership. Designation does not confer public access.

Habitats Regulations: Special Areas for Conservation (SACs)

Geo Parks: UNESCO Approval through host nation bidding. European Geopark is a territory whose geological heritage is of European significance.

Biosphere: UNESCO Approved. Dyfi Biosphere in Powys is an example of a Biosphere site designated by UNESCO following a joint government agency and local authority bid for such. It is the only Biosphere in Wales

(text limit: 2000 characters by designation)

How it relates to other administrative structures (hierarchy of responsibility)?

National Parks have established National Park Authorities which are planning authorities which lie outside of overlapping local authority control. Their prime functions are to pursue the main aims of national parks, which are to protect their natural environment and to provide public understanding of it. This includes setting out rigorous planning policies and effective countryside services which pursue improved countryside access and

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interpretation. These post-war aspirational designations sought to cover exceptional landscape quality with accessibility for the public, and policies reflect this.

- **Brecon Beacons National Park**
 - UK designation (1957)
 - is 1 of 14 in UK, 3 in Wales

Areas of Outstanding Natural Beauty are planning designations, which have been selected by government as areas as exceptional natural landscapes. Their purpose is for the 'conserving and enhancing of the natural beauty of an area'. They provide power to local authorities to 'take such action as appears to them expedient for the accomplishment of the purpose of conserving and enhancing the natural beauty of an area . . . '.

Each AONB typically has a lead officer dedicated to pursuing funds and policies to promote sustainable management and policies relating to it, through overlapping local authorities. They are a material consideration when a local authority receives a planning application.

All public bodies must have regard to the purpose of conserving and enhancing the natural beauty of the AONB. The practice of what the sentiments mean in an AONB is open to wide and varying degree nationally.

National Nature Reserves These provide for direct government funding and management and overlay areas designated as SSSI.

SACs: This is in addition to SSSI designation, and adds to the national statutory protection and requirements upon landowners and developers. Any development near the site must also be given prior approval if an activity which may damage the site is proposed. The test for permitting a potentially damaging operation or development to take place must consider any degree of damage which might reduce the extent of the special features within the site. There is an inherent conflict between this designation and SSSIs in seeking to enact the duty to maintain and repair public highways, such as public rights of way, which might have become overgrown or degraded through legitimate or illegal use.

Wildlife & Countryside Act 1981: Britain is widely covered in designated SSSIs, which vary hugely in size and in reasons for designation which include habitats and prescribed species. It strengthened SSSIs legal protection, with legal penalties and set a requirement for government to designate all sites which meet SSSI standards. Set timescales for consultation over activities which might damage special features of SSSI. Gave formal protection to listed species and introduced legal penalties for harming them. The designation severely restricts a landowner's rights to change land management or to undertake development, and includes land abutting the site and not just the designated site itself. www.ccw.gov.uk www.countryside.gov.uk

Geoparks: There are 8 Geo Parks in the UK. In 2004 UNESCO decided to assist with the establishment of a Global Network of Geoparks. In Wales the Fforest Fawr Geopark in the Brecon Beacons, is the one designated. It will have a sustainable development strategy with a strong management structure, supported by a European funding programme, to aid further development. To retain its status efforts must be shown to protect and enhance its designation between each bidding round. They have no separate powers or controls but would be considered a material consideration by the local authority or national park authority when considering a planning application. Web site: www.breconbeacons.org/fforestfawr

- **Forest Fawr Geopark**

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- European designation (2005)
- 35 in Europe, 8 in UK (the first in Wales)

Biosphere: The designation has no specific legal limitations duties or powers, but is more of a international recognition of a local desire and will to work toward integrating the practices of sustainable development and biodiversity conservation. The designation could be considered a material consideration in any proposed planning application for development.

- **Dyfi Biosphere**
 - UNESCO designation (2009)
 - Managed by a local partnership
 - 9 in the UK, the **first in Wales**

(up to 2000 characters)

How is it governed?

See above

(up to 2000 characters)

Is there a link to the legislation in 2.2 above?

Designations may be considered within the planning process as material considerations, which could prevent development or place restriction on how it may be undertaken.

(up to 1000 characters)

Highlight activity that is good and why (e.g. partnerships working, management plans, autonomy of activity)

The ability for the planning process (which tends to be the key legislative permission for development) to be delivered locally with a view to community and natural interests and the regular consultation in relation to Planning policy development through the UDP and LDP processes. National parks Require a monitored management plan, as Does the Biosphere. In the UK , unless for illegal purposes, local organisations can create for marketing purposes designations themselves – this is often the case for tourism projects. Using one of the organisational registrations listed below (often a charitable trust) such groups create their own rules and purposes for these ‘local area designations’ and if properly constituted may be eligible for grant aid through both economic and environmental programmes a good example of this is the Cambrian mountains Initiative. The Cambrian Mountains Initiative is a wide-ranging project that aims to help promote rural enterprise, protect the environment and add value to products and services in Mid Wales. The project was inspired by HRH The Prince of Wales who as the Cambrian Mountains Initiative President wishes to help sustain traditional upland

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farms and rural communities.

(up to 2000 characters)

2. POLICY ON ENTREPRENEURSHIP AND SMES DEVELOPMENT IN THE UK AND WALES

2.1 JUDICIAL FORMS OF BUSINESS STRUCTURE IN THE UK

There are many forms of business structure in the UK ranging from those that are simply regulated through the tax system, to those with more formal regulation by Act of Parliament such as the Companies Act.

Sole trader: the simplest business form - does not involve paying any registration fees, keeping records and accounts is straightforward. However, trader is personally liable for any debts the business runs up, which make this a risky option for businesses that need a lot of investment. Sole traders register as self-employed making an annual self assessment tax return to HM Revenue & Customs.

Partnership: two or more people. Each partner is self-employed and takes a share of the profits. Usually, each partner is personally responsible for any business. A partnership has no legal existence distinct from the partners themselves. If one of the partners resigns, dies or goes bankrupt, the partnership must be dissolved - although the business can still continue. A partnership is a relatively simple and flexible way for two or more people to own and run a business together. However, partners do not enjoy any protection if the business fails. However, if a partner leaves the partnership, the remaining partners may be liable for the entire debt of the partnership. Also, a creditor may choose to pursue any of the partners for the full debt owed in the case of insolvency.

Limited liability partnership (LLP): similar to an ordinary partnership - in that a number of individuals or limited companies share in the risks, costs, responsibilities and profits of the business. The difference is that liability is limited to the amount of money they have invested in the business and to any personal guarantees they have given to raise finance. Each member needs to register as self-employed. must be a minimum of two designated members - the law places extra responsibilities on them. LLPs must register at Companies House. The LLP itself and each individual member must make annual self-assessment returns to HM Revenue & Customs (HMRC). All LLPs must file accounts with Companies House. Limited liability companies: exist in their own right. Meaning the company's finances are separate from the personal finances of their owners. Shareholders may be individuals or other companies. They are not responsible for the company's debts unless they have given guarantees - for example, a bank loan. However, they may lose the money they have invested in the company if it fails. The Companies Act 2006 affects directors and shareholders of limited companies. Main types of Limited Companies:

- Private limited companies can have one or more members, eg shareholders. They cannot offer shares to the public.
- Public limited companies (plcs) must have at least two shareholders and must have issued shares to

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the public to a value of at least £50,000 or the prescribed equivalent in euros before it can trade.

- Private unlimited companies - these are rare and usually created for specific reasons. It is recommended you take legal advice before creating one.

Social enterprises: A social enterprise is a business with primarily social objectives. Any profits are largely reinvested in the business or in the community, rather than given to shareholders and owners. Social enterprises may take a number of different business structures - the most common are companies limited by guarantee, companies limited by shares, and industrial and provident societies..

There are many different types of social enterprises, including:

Unincorporated associations: The unincorporated association form is usually chosen when a number of individuals agree or 'contract' to come together for a common purpose - which may be of a social nature. Unincorporated associations are relatively straightforward to run and cost nothing to set up. They make their own rules for running the organisation and set these down in a democratic constitution. A management committee is elected to run the organisation on behalf of the members (if it has any). Unincorporated associations do not need to register with or be regulated by either Companies House or the Financial Services Authority. They enjoy greater freedom of operation than a company. For example, they don't have to submit annual returns. If an unincorporated association has exclusively charitable objects (or aims), and those objects are for the public benefit, it should apply to the Charity Commission to be registered as a charity. All charities must follow the requirements of charity law, and most registered charities must also submit annual returns to the Charity Commission. Unincorporated associations may also have trading or business objectives or carry on commercial activities. Although an unincorporated association cannot own property, it may be able to set up a trust to legally hold ownership of property and assets for the community they are intended to benefit. Unincorporated associations have no separate legal identity. This means that their members will have to sign loans and contracts as individuals and carry the risk of personal liability.

Trusts: trust is a legal device which governs how assets given by an individual or organisation are to be used. Many organisations, such as those involved in education, healthcare, providing advice and conservation, can be structured as trusts. Trusts are unincorporated bodies and do not distribute their profits. They're managed by trustees. Trustees do not benefit from the trust, but act on behalf of the community for whose benefit it is set up. Trusts make their own governing rules and have no legal identity of their own. Trusts have a trust deed which protects their social objectives. This covers the terms under which an individual or organisation is given assets. It also lists the intended beneficiaries and the conditions under which the trust's assets may be used.

Charitable trusts

In addition to a non-profit distribution clause and an asset lock, if a trust has exclusively charitable 'objects' - its aims and purposes - and those objects are for the public benefit, it is likely to be a charity, and should (in most cases) apply to the Charity Commission to be registered as a charity.

Development trusts

Development trusts are community owned and led organisations, and do not distribute any profits. They provide a hub of trade or service with the aim of regenerating their local community - eg to develop or manage property, restore buildings or improve the environment. There is no standard legal form for a development

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trust. Most register as a company limited by guarantee and in a few cases as an industrial and provident society. Many register as charities.

Limited companies with a social purpose

The limited company is an organisational structure which gives limited liability to its members. Some social enterprises take on the form of a limited company. This is a more accountable form than, for example, an unincorporated association.

Limited companies may have an 'objects' clause that sets out the company's aims or purposes. Although these objects can be commercial, if your business is a social enterprise, they may relate to social and/or environmental objectives such as regenerating an area or providing employment and/or training for people disadvantaged in the labour market. Social enterprises that are registered charities must only have objects that the law defines as charitable, such as relieving financial hardship or promoting education. Types of limited company There are two incorporated forms to choose between when setting up a social enterprise as a limited company:

- Private company limited by shares (CLS) - shareholders each hold shares in the company. Their liability is limited to the amount unpaid on shares they hold. A public limited company (plc) differs from a CLS in that its shares can be sold to the general public.
- Private company limited by guarantee (CLG) - each of the members gives a guarantee for a certain sum that will be put towards the company's finances if the company is wound up. A CLG cannot raise finance by issuing shares, nor pay dividends to its members.

Community benefit societies

Community benefit societies (BenComs) are incorporated industrial and provident societies (IPS) that conduct business for the benefit of their community. Profits are not distributed among members, or external shareholders, but returned to the community. For example, a nursery school might use this form to let staff take part in decision-making. BenComs are not to be confused with another form of IPS - co-operatives. Co-operatives operate for the mutual benefit of their members and may or may not be a social enterprise, depending on their activities and how they distribute their profits. Co-operatives cannot be established as charities. BenComs and co-operatives are both regulated by the FSA. It can cost between £40 and £950 to register a BenCom with the FSA - payable each year.

Community Interest Companies

Community Interest Companies (CICs) are limited companies that exist to provide benefits to a community, or a specific section of a community. The CIC has the flexibility of the familiar company form, and access to a range of financing options, so may be appropriate for those working for a social purpose. Its key features include an asset lock and a community interest statement. Must register as either a company limited by shares or a company limited by guarantee. CICs are subject to dual regulations by both the CIC Regulator and Companies House. CICs shouldn't be confused with charities. CICs cannot have charitable status but a charity can own one. This means they do not get the tax benefits of a charity, but in return they do not have the strict reporting requirements of a charity.

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Charitable incorporated organisations

From spring 2010, it is possible to set up as a charitable incorporated organisation (CIO). This legal form is specifically tailored for charities registered in England and Wales. It will be available to new organisations and existing charities that wish to convert into the CIO form. Special features of CIOs.

- directors will be called charity trustees - they will be more like company forms than other types of charity forms.
- always incorporated, they will be separate legal entities and their members will have either no liability or limited liability.
- like Community Interest Companies and community benefit societies - will have their assets locked in for their charitable purposes. They will not be able to distribute profits or assets to their members. Unlike some of the other forms used by charities, CIOs will only register with and report to the Charity Commission, not to Companies House or the Financial Services Authority.

In the UK Between March 2008 and March 2009 there was a continued move towards incorporation, and a reduction in the number of sole proprietors and partnerships.

- Corporate Businesses (companies and public corporations) represent 58.2 per cent of total enterprises, an increase from 56.6 per cent in 2008
- Sole Proprietors represent 24.4 per cent of total enterprises, a decrease from 25.4 per cent in 2008
- Partnerships represent 13.5 per cent of total enterprises, a decrease from 14.1 per cent in 2008
- General Government and Non-Profit Making Bodies represent 4.0 per cent of total enterprises, an increase from 3.9 per cent in 2008

(up to 3000 characters)

2.2 ENTREPRENEURSHIP IN WALES

Key support programmes and agencies for Enterprise in Wales and the B2N PP07 are set out below: Farming Connect/Farm Advisory Service is funded by the Rural Development Plan for Wales 2007-2013. This is financed by the Welsh Assembly Government and the European Union. Provides one-to-one support, knowledge, expertise, training and advisory services, tailored to needs. Many are fully funded or subsidised by 80%. They aim to help farming businesses run more efficiently and safeguard the future of farm business.

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Flexible Support for Business (FS4B):

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FS4B is the Welsh Assembly Government support service for business customers. It offers access to information, advice and support for businesses, via a gateway including a single website. It can be accessed via the Welsh Assembly Government website, through www.business-support-wales.gov.uk

EU Services Directive: The EU Services Directive requires Competent Authorities in Member States to set up a Point of Single Contact (PSC) to allow people/businesses to find out about relevant rules and procedures, should they wish to do business in that Member State. The Welsh Assembly Government is deemed to be a Competent Authority. Businesslink.gov.uk is the technology platform for the UK PSC Welsh Assembly Government integration with it enable WAG to meet the requirements of the Directive, i.e. FS4B

Through FS4B business can access specialist advisors, and support services including access to financial schemes. FS4B supports both start up and Existing businesses. The FS4B services is delivered by theWAG through contracted specialist organisations, although it offers good online information and a telephone service, businesses in Powys do not have easy access to direct personal contacts. There is no universal funding programme that supports SME's but there are schemes supporting business project activity. Funding opportunities through grants are continually changing and a great deal of support is on a first come first served basis.

In Powys FS4B is operated by Antur Teifi. Antur Teifi is an independent company which inspires, develops and supports individuals and businesses which have the potential to create prosperity and success in the local economy.

Antur Teifi was established in 1979 to assist the development of the local economy in the Teifi Valley in west Wales.

Antur Teifi is a social enterprise which is owned by shareholders in the community. They do not profit individually from this investment but have agreed that any surpluses should be reinvested in the company to promote prosperity in the area.

Core services can broadly be segmented into:

- Business Services
- Training and skill development
- ICT Support & Solutions
- The Third Sector

Have an holistic approach to helping businesses, individuals and communities develop their ideas. Our primary aim is to identify each clients' individual needs and signpost them to the relevant services both internally and externally.

Many services are delivered in partnership with organisations and communities in the area. FS4B is delivered through regional business centres providing the following information and services:

- Access to business information for start up and existing businesses
- General business advice to small local businesses e.g. help to access grants/ loans, business plans,

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marketing advice.

- Specialist advice in equality and diversity and environmental management
- Access to ICT support for business
- Access to UK Government finance support
- Access to Innovation support for business
- Access to help and support to develop workforce
- Access to help business trade internationally
- Access support towards Introducing key suppliers

The Regional Centre service for Mid Wales is delivered by Antur Teifi Business Services on behalf of the Welsh Assembly Government.

The Welsh Assembly Government core funds the Wales Co-operative Centre and the Development Trusts Association Wales to provide specialised development support to social enterprises.

In addition it provides project funding to Social Firms Wales, who also provide business advice services.

Powys County Council offers a small business start up grant up to 50% of a project to a maximum of £5000, this is for capital investment. Additionally in some areas of the county there are grant schemes that support businesses operating in historic buildings to maintain those buildings.

A Trading Standards Department of the council offers free, confidential and impartial business advice service. Advice is available to traders based in Powys on Trading Standards issues affecting their business. Examples include advice on basic contractual obligations, through to complex quality assurance or due diligence systems.

Statistics on Businesses: Business Demography

Table 1. Enterprise births, deaths and active enterprises by Welsh local authority (NS)

Sizeband Total
:

Year	2002			2007			2008		
Variable	Births	Deaths	Active enterprises	Births	Deaths	Active enterprises	Births	Deaths	Active enterprises
Area									
Wales	8,970	7,890	81,175	9,905	(p) 8,560	90,760	9,290	(p) 8,735	91,740
Powys	505	415	5,335	525	(p) 460	5,885	490	(p) 475	6,145

p The data item is provisional.

In 2008 there were 270,000 business ‘births’ in the UK, a rate of 11.6 per cent. This was compared with 281,000 births in 2007, a rate of 12.3 per cent. In 2008 there was a 3.7 per cent decrease in the number of business births. The table above shows that although in Wales the rates remained steady and increased slightly year on

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year in Powys there was a down drop as in the UK overall. There were 219,000 business ‘deaths’ in 2008, a rate of 9.4 per cent. This compares with 223,000 business deaths in 2007 and a rate of 9.8 per cent. This gives a decrease in business deaths between 2007 and 2008 of 1.8 per cent. In both Wales and Powys the trend of business deaths is upward. The highest rate of births occurred in business administration and support services with a rate of 16.2 per cent. The highest number of births, however, occurred in professional; scientific & technical, with over 54,000 new businesses. The highest number of business deaths occurred in construction, with 33,000, followed by professional; scientific & technical, with over 32,000. The highest business death rate occurred in accommodation & food services with a death rate of 13.1 per cent. There are no separate statistics available to identify birthes and deaths available by business type for Wales and Powys.

Table 2. Enterprise survival rates by Welsh local authority (NS)

Variable	Per cent				
BirthYear	2003				
SurvivalYear	1 year survival	2 year survival	3 year survival	4 year survival	5 year survival
Area					
Wales	91.9	77.9	64.4	55.2	(r) 46.9
Powys	92.8	80.8	70.4	60.0	(r) 52.8

Statistics on Businesses: Business Structure Statistics

Table 3. Business numbers by size band and Welsh local authority (NS)

Variable : Enterprise count

Year	2006									
Measure	Number					Percentage of total				
Size band	All size bands	Micro (0 - 9)	Small (10 - 49)	Medium (50 - 249)	Large (250 +)	All size bands	Micro (0 - 9)	Small (10 - 49)	Medium (50 - 249)	Large (250 +)
Area										
Wales	190,420	179,855	7,065	1,890	1,615	100.0	94.5	3.7	1.0	0.8
Powys	15,860	15,135	425	125	170	100.0	95.5	2.7	0.8	1.1

As a % of businesses in both wales and Powys SMEs are insignificant business activity is dominated by micro businesses. (Additional research is required to confirm this but it is assumed that large businesses may include government agencies such as the Powys Local Authority with approximately 8000 employees).

In the UK The distribution of enterprises by employment size band shows that 88.7 per cent had an employment of less than ten, and 98.0 per cent had less than 50 employment. Large enterprises, those with 250 or greater employment, accounted for only 0.4 per cent.

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People and work: Jobs

The table below shows the latest number of jobs in Welsh local authorities (including the self employed

Table 4. Workplace employment by broad industry by Welsh local authority (NS)

Year	2008						
Industry	All industries	Agriculture, hunting, forestry and fishing	Production	Construction	Distribution, transport and communication	Finance and business activities	Public administration, education, health and other services
Area							
United Kingdom	(r) 30,152,600	(r) 492,700	(r) 3,074,700	(r) 2,115,700	(r) 8,464,800	(r) 6,544,600	9,460,000
Wales	(r) 1,354,300	(r) 42,000	(r) 178,300	(r) 102,000	(r) 361,900	(r) 191,800	478,300
Powys	(r) 61,200	(r) 8,300	(r) 6,700	(r) 5,000	(r) 14,900	(r) 6,600	19,900

- The data item is not exactly zero, but estimated as zero or less than half the final digit shown

r The data item has been revised since previously published in StatsWales. The revision may not be reflected in the rounded value.

In the UK The professional, scientific and technical sector accounts for the largest number of businesses with 15.0 per cent of all enterprises registered. This is followed by construction with 13.4 per cent of all enterprises registered and retail with 8.9 per cent.

There is no statistical information available in relation to registration with Trade support organisations. Although there is a need to register for legislative purposes in some trades such as legal professions many support structures worm on a local level only and tend to be voluntary by nature – such as town chambers of trade. In wales there are a number of Tourism associations and although membership may offer benefits there is no requirement to join – some businesses may be members of one or more groups while others may not participate in any.

Economic Operating Environment. Economic Downturn

The current global economic downturn has made it a tough time for communities and business both large and small throughout Wales. As the financial crisis transfers into the ‘real economy’ its impacts have begun to be felt in terms of job losses and insecurity, reduced investment, lower property values and development activity. There is a large amount of uncertainty about the impacts the recession will have on individual communities, and rural areas are vulnerable to its impacts particularly in respect of reliance on Tourism and niche food markets as mainstream activities and value added farm diversification enterprises. In Powys the down turn in retail & services, manufacturing and engineering sectors is perhaps cushioned to some extent by the areas public sector employment base. The public sector will play a major role in leading the way although with a greater demand on their limited resources however, even here Central Government Policy and the need to reduce the National Debt is resulting in restructures leading to both job losses and a freeze on recruitment. . New forms of regeneration and greater cooperation between public and private sector partnerships will be required, to address basic local needs and create opportunities for business growth.

Access to finance is at this time difficult, grant support is dwindling and new business start up funding is highly scrutinised by commercial lenders although for those able to gain funds, loan repayment rates, which tend to be linked to the Bank of England base rate, are good.

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2.3 ENTREPRENEURSHIP IN WALES (POWYS COUNTY)

Results from the Consultation on the Review of Business Support & Development Services (2006-2009) WAG show that Wales' economic performance has been poor for many years. GDP per head in Wales, expressed as a percentage of the figure for the UK as a whole, has been in the low to mid 80s since the 1960s.

Contributors to the poor overall economic performance are considered to be:

- a weak indigenous business base reflecting the historic dependence on a small number of industrial sectors which have suffered major decline
- low activity rates
- low-added-value production
- too few companies exporting an underdeveloped service sector and few headquarters functions
- lack of high tech, knowledge-driven industries and low commitment to innovation and R&D
- low exploitation of the opportunities afforded by information communications technologies
- low wages
- no tradition of entrepreneurship/low business birth rates
- relatively high business failure rates
- relatively poor growth rates from small company to medium-sized company to plc
- undeveloped potential within the tourism industry

The National Assembly for Wales in its document "www.betterwales.com" sets benchmarks for the Welsh economy for 2010. Specific targets include:

- The total number of new businesses should have risen by 35,000 and the number of jobs should have grown by 135,000. The percentage of people of working age who are in employment must have increased, reducing the gap between Wales and the UK. The proportion of the population aged 50 to 59 (in the case of women) and 50 to 64 (in the case of men) who are economically inactive should have fallen from around 40% in 1999 to less than 30%.
- Business R&D should have grown faster than in the UK as a whole over the decade. The level of innovation throughout the diversified Welsh economy must be amongst the best in the UK.
- We must be more international in outlook... the number of Welsh companies exporting and having links with businesses worldwide must have grown.
- Output per head must have risen from around 83% of the UK average in the mid-1990s to at least 90%, generating an additional £5 billion at 1997 prices.

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Economic forecasts predicted that the Welsh economy was likely to grow by some 2.5 per cent year on year between 2000 and 2005, which did not of itself close the economic gap between Wales and the UK and the EU average.

To close this gap within a reasonable timescale requires a step change in performance and growth across many areas of the Welsh economy. Only business and industry can generate the employment and wealth needed to close this gap.

In response to these problems the public sector has developed a range of business support activities aimed broadly at overcoming constraints to business growth and development, stimulating new business formation/improving survival rates and attracting new business activities.

The Economic Development Committee of The WAG is asked to consider many proposals for business support services. The Committee has been concerned that often it is being asked to make important recommendations on the basis of inadequate information about the likely economic benefits of the proposals and without a coherent strategic context.

The Committee decided that for these reasons, and because of evidence in Wales of concerns about the effectiveness and efficiency of, and evidence of overlaps between current business support mechanisms, that its first major review should be to look at business support and development services. This continued support for FS4B and recognised a need to support the social enterprise sector. A new policy for economic development is likely to be launched by the WAG in the Autumn of 2010.

The Welsh Assembly Government also offers support to businesses through the Flexible Support for Business service. Relationship Managers build tailored support packages to help Welsh businesses of all sizes and in all sectors to grow.

Statistical information regarding economic activity and population comparing, where possible/appropriate, the B2N area of Powys with Welsh national and/or UK national figures is appended.

Regional Accounts: Gross Value Added

The table below shows GVA per head (UK=100)

Table 5. Regional by local area in Wales (NS)

Measure	Index (UK=100)								
	Year	1999	2001	2002	2003	2004	2005	2006	2007
Area									
Wales	(r) 77.4	(r) 77.1	(r) 76.7	(r) 76.2	(r) 75.5	(r) 75.7	(r) 74.8	74.4	
Powys	(r) 75.0	75.0	76.0	(r) 75.5	(r) 73.3	(r) 70.7	(r) 67.9	66.1	

The gross value added (GVA) per head of population for the UK as a whole was £20,520 in 2008. London had the highest regional GVA per head of population at £34,786, followed by the South East at £21,688. Wales had the lowest GVA per head of population at £15,237. GVA gap continues to widen between Powys and Wales. For example The National Accounts economic indicator, GVA (unadjusted gross value added per head), fell from £12,377 in 2003 to £11,914 in 2005, which was among the lowest in Wales, at 67% of the UK figure (Wales 77%).

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Table 6. Regional Gross Value Added (GVA), by industry and local area in Wales (NS)

Measure	Percentage of all industries							
Year	2007							
Industry	Agriculture, hunting, forestry and fishing	Production	Manufacturing	Construction	Distribution, transport and communication	Business services and finance	Public administration, education, health and other services	Other services
Area								
Wales	0.5	20.0	17.9	7.1	19.7	23.0	29.7	5.2
Powys	2.1	17.1	.	8.7	24.4	19.4	28.2	.

Regional Accounts: Gross Disposable Household Income

The table below shows GDHI per head (UK=100)

Table 7. Gross disposable household income per head (UK=100), by local area in Wales (NS)

Component	Gross disposable household income									
Measure	Index (UK=100)									
Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Area										
UK excluding Extra-Region	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	(p) 100.0
Wales	85.7	86.0	86.3	87.4	87.3	87.6	(r) 87.9	(r) 88.1	(r) 87.7	(p) 87.9
East Wales	89.1	(r) 89.7	90.5	91.7	91.7	92.1	92.4	(r) 92.9	(r) 92.8	(p) 92.8
Powys	(r) 81.2	(r) 82.5	83.9	84.7	84.7	(r) 85.2	86.7	87.9	88.4	(p) 88.8

The median gross **weekly pay** for full-time jobs in Powys in 2007 was £370.40, (Wales £404.70).

The table below shows the latest employment by occupation and by employment type.

Table 8. Employment levels by occupation by Welsh local authority (NS)

Gender : Persons

Year	Year ending 31 Dec 2009									
Employment type	In employment									
Occupation	All occupations	Managers and senior officials	Professional occupations	Associate professional and technical occupations	Administrative and secretarial	Skilled trades occupations	Personal service occupations	Sales and customer service occupations	Process, plant and machine operatives	Elementary occupations
Area										
Wales	1,293,900	165,100	156,300	180,800	144,100	159,600	122,700	101,400	96,100	162,500
Powys	58,600	7,800	7,100	7,700	6,400	10,100	5,400	(!) 2,500	3,700	7,800

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The table below shows latest unemployment rates against the EU from [Eurostat](#).

Table 9. European Union harmonised unemployment rates by gender, annual averages

		Year	2000	2001	2002	2003	2004	2005	2006	2007	2008
Gender	Area										
Persons	European Union (27 states 1 January 2007 onwards)	..	..	..	9.1	9.2	8.9	8.2	7.2	7.0
	European Union (25 states, 1 May 2004-31 Dec 2006)	9.2	8.6	8.9	9.1	9.2	9.0	8.2	7.2	7.1	
	European Union (15 states, pre 1 May 2004)	8.3	7.5	7.8	8.1	8.3	8.2	7.8	7.0	7.1	
	United Kingdom	5.6	5.0	5.1	5.0	4.7	(r) 4.8	(r) 5.4	(r) 5.3	5.6	
	Wales	6.4	5.8	5.5	4.6	4.5	4.5	(r) 5.3	(r) 5.3	6.0	
	West Wales and the Valleys	7.0	6.3	5.9	4.9	5.2	5.1	(r) 5.5	5.5	6.2	
	East Wales	5.5	5.0	5.0	4.3	3.4	(r) 3.6	4.9	4.8	5.6	
Males	European Union (27 states 1 January 2007 onwards)	..	..	..	8.4	8.6	(r) 8.3	7.6	6.6	6.6
	European Union (25 states, 1 May 2004-31 Dec 2006)	8.0	7.7	8.1	8.4	8.5	(r) 8.3	7.5	6.6	6.6	
	European Union (15 states, pre 1 May 2004)	7.2	6.6	7.0	7.4	7.6	7.5	7.1	6.4	6.7	
	United Kingdom	6.0	5.5	5.6	5.5	5.1	(r) 5.2	5.7	(r) 5.6	6.1	
	Wales	7.3	6.8	6.0	5.6	4.7	5.4	5.9	(r) 5.2	6.7	
	West Wales and the Valleys	7.8	7.4	6.1	6.1	5.5	(r) 6.1	(r) 6.4	(r) 5.5	7.0	
	East Wales	6.5	5.8	5.7	5.0	3.5	(r) 4.5	5.2	(r) 4.8	6.2	
Females	European Union (27 states 1 January 2007 onwards)	..	..	..	9.9	9.9	9.7	(r) 9.0	7.9	7.5
	European Union (25 states, 1 May 2004-31 Dec 2006)	10.7	9.8	9.9	10.0	10.0	(r) 9.9	9.1	8.0	7.7	
	European Union (15 states, pre 1 May 2004)	9.9	8.7	8.8	8.9	9.1	9.0	8.6	7.8	7.7	
	United Kingdom	5.0	4.4	4.5	4.3	4.2	4.3	4.9	4.9	5.1	
	Wales	5.4	4.6	5.0	3.5	4.2	3.4	4.5	5.4	5.1	
	West Wales and the Valleys	6.1	5.0	5.6	3.5	4.8	4.0	4.4	5.7	5.3	
	East Wales	4.5	4.0	4.0	3.5	3.3	2.5	4.6	4.9	4.9	

Labour Market

- 37% of employee jobs in Powys were part-time in 2006 (Wales 33%).
- 15.5% of the Powys working age population were self-employed in the year to October 2007 (Wales 8.6%).
- 75.4% of working age people were in employment in 2007, (Wales 70.9%) and a further 1.4% claimed Job Seekers Allowance (Wales 2.2%).

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In May 2007 2.9% of Powys people aged 16 and over were claiming Income Support (Wales 5.2%), 6.6% were claiming Disability Living Allowance (Wales 9.6%) and 5.4% were claiming Incapacity Benefit / Severe Disablement Allowance (Wales 8.3%).