

## Chair's Update

Graham Ward OBE

Chairman's update: December 2008

The loss of liquidity or cash flow is now with us in a big way. In my simple terms if the banks can only lend our money maybe three times, instead of the six or seven they have been using very dicey bits of paper, then a lot of cash has gone from the system. No matter what incentives we have to keep spending, these vast sums cannot be replaced so there are going to have to be major readjustments, many of which will painfully affect our lifestyles.

On your behalf I was invited to attend the Cabinet meeting event in Leeds and listen to the politicians live. I got the impression that the Government was concerned that the SMEs needed to receive support to ensure economic activity and that employment would be a priority. SMEs make up the major part of the Rural Economy so that could be good news. I did shake hands with Gordon Brown and our ten second conversation confirmed this commitment. All this is rather fluffy but I do think the RAF has now built quite a good regional profile and we do get invited to various meetings of the great and the good to be the token Rural presence if nothing else.

The credit crunch will begin to bite and we are connected via the CRC with the Treasury for feedback of problems. Much of this will be anecdotal and maybe personal and probably confidential. However if you want to tell me, understanding that I have a lifelong reputation in business circles for not knowing anyone, and having no knowledge of any conversations, then I will filter and pass on up the chain. It is very important that we do ensure the pressures on rural business are logged in London or we shall be bypassed in any help packages. My own businesses have been helped very much by credit guarantees (there were called DTI credit assurance). These guarantees basically reassure the bank manager that some of the money they are lending you, unsecured by assets but based on your business plan and track record can be offset should the worst happen. They are not cash so do not require real money but do act as "cash" flow into the business. I hope the Government will significantly expand the use of this very important implement. There will be an article in Rural Matters due out mid December from Business Link detailing some of the support measures for rural business.

Now to regional matters. The Government has responded to the Sub National Review consultation. You can see it plus the Assembly comments. The RAF is working very closely with the Rural Practitioners Group to respond to a challenge from the Rural Board, to try to ensure that a Rural input into the Integrated Regional Strategy and the other Thematic Government service deliverers (NHS, Police etc.) in the mainstreamed culture. We have established formal relationships with the Food And Farming Forum that is taking forward a land management partnership for the region to follow on from the Defra Sustainable Farming initiative. We have written to the new structure overall bodies, namely Yorkshire Forward and the Local Government Yorks and Humber (LGYH), confirming the thoughts in our consultation response. We copied this to our Regional Minister and have received an encouraging reply from YF and from the Minister. We have not as yet heard from LGYH. To support our requests to be involved we now need to re-write the Rural Framework to reflect how rural input expertise can benefit delivery. We are 20% of the population but the new "Rural Prospectus" must outline those differences in our smaller and separated communities, which affect equitable service delivery to our residents and how this can be best handled. We shall be holding a seminar shortly to thrash this out; please if you have views you wish to express send them to us.

It is bit early but next Update will be in New Year so can I wish you all a Happy Christmas and a Prosperous New Year. Thank you all for your support for the RAF during last twelve months.