



The **Constitution** Unit



Strategy Wales
Strategaeth Cymru

Nations and Regions: The Dynamics of Devolution

Quarterly Monitoring Programme

Wales

Quarterly Report
April 2005



The Leverhulme Trust

The monitoring programme is jointly funded by the ESRC and the Leverhulme Trust



Labour's Majority in Doubt

Monitoring
The National Assembly
December 2004 to April 2005

Edited By
John Osmond

In association with:

grayling

£10
ISBN 1 904773 02 8



Mae'r Sefydliad Materion Cymreig yn bodoli i hybu ymchwil o safon a thrafodaeth hyddysg er lles diwylliannol, cymdeithasol, gwleidyddol ac economaidd Cymru. Mae'r IWA yn sefydliad annibynnol ac nid oes arno deyrngarwch i unrhyw garfan economaidd na gwleidyddol. Yr unig fudd sydd o ddiddordeb i ni yw gweld Cymru'n ffynnu fel gwlad i weithio a byw ynddi. Cawn ein cyllido gan nifer o sefydliadau wahanol ac unigolion. Am ragor o wybodaeth am y Sefydliad, ei gyhoeddiadau, a sut i ymuno, un ai fel unigolyn neu gefnogydd corfforaethol, cysylltwch â:

IWA - Y Sefydliad Materion Cymreig
Ty Sant Andreas
24 Cilgant Sant Andreas
Caerdydd
CF10 3DD

Ffôn 029 2066 6606
Ffacs 029 2022 1482
E-bost wales@iwa.org.uk
Gwe www.iwa.org.uk

The Institute of Welsh Affairs exists to promote quality research and informed debate affecting the cultural, social, political and economic well-being of Wales. The IWA is an independent organisation owing no allegiance to any political or economic interest group. Our only interest is in seeing Wales flourish as a country in which to work and live. We are funded by a range of organisations and individuals. For more information about the Institute, its publications, and how to join, either as an individual or corporate supporter, contact:

IWA - Institute of Welsh Affairs
St Andrews House
St Andrews Crescent
Cardiff
CF10 3DD

Tel 029 2066 6606
Fax 029 2022 1482
Email wales@iwa.org.uk
Web www.iwa.org.uk

Preface

This report is the latest in a series of publications, now in its seventh year, tracking the progress of the National Assembly, and in particular the policy developments it initiates across the range of its responsibilities. The reports are published quarterly and also posted on the IWA's website (www.iwa.org.uk) together with a more substantial annual publication*. The project is being undertaken in collaboration with the Constitution Unit, University College, London, as part of a monitoring exercise of all the UK devolved institutions, together with tracking constitutional developments in Whitehall and in the English regions. Our partner organisations in Scotland and Northern Ireland are the Department of Politics, University of Strathclyde, and Democratic Dialogue. The Constitution Unit monitors constitutional changes and responses in Whitehall, while the Centre for Urban and Regional Developments Studies at Newcastle University is following the devolution process in the English regions. Further information on this project, including the regular reports from Scotland, Northern Ireland, Whitehall and the English regions can be found on the Constitution Unit's website: www.ucl.ac.uk/constitution-unit/

This report has been produced with the assistance of Sarah Beasley of Cardiff Law School; Professor James Foreman-Peck, of the Cardiff Business School; and Nia Seaton at the IWA. The Institute also thanks the public affairs consultancy *Grayling Strategy Wales* for allowing us access to their weekly monitoring reports on the National Assembly, and in particular to Laura Morgan, Helen Northmore-Thomas, and Helen Bradbury.

John Osmond
Director, IWA
April 2005

*The latest is *Welsh Politics Come of Age: Responses to the Richard Commission*, published in January 2005 in association with the ESRC Programme on Devolution and Constitutional Change, and available from the IWA at £14.99. It follows *Second Term Challenge: Can the Welsh Assembly Government Hold its Course?* (November 2003, price £10); *Birth of Welsh Democracy: The First Term of the National Assembly for Wales*, (March 2003, price £19.99); *Building a Civic Culture: Institutional Change, Policy Development and Political Dynamics in the National Assembly for Wales* (March 2002, £15), and *Inclusive Government and Party Management: The National Assembly for Wales and the Work of its Committees* (March 2001, £15). Previous quarterly reports in this series (all available from the IWA at £10) are: *Quango Cull Falter But Continues*, December 2004; *Cull of the Quangos*, September 2004; *Richard Commission Sets Agenda*, June 2004; *End of the Corporate Body*, March 2004; *Wales is Waiting*, December 2003; *Wales Unplugged*, August 2003; *Welsh Labour Takes Control*, June 2003; *Dragon Debates Its Future*, March 2003; *Dragon Takes a Different Route*, December 2002; *A Bilingual Wales*, August 2002; *Engaging With Europe*, June 2002; *Education Policy Breaks Loose*, March 2002; *Coalition Creaks Over Health*, December 2001; *A Period of De-Stabilisation*, September 2001; *Farming Crisis Consolidates Assembly's Role*, May 2001; *The Economy Takes Centre Stage* (March 2001); *Coalition Politics Come to Wales* (December 2000); *Devolution Looks Ahead* (September 2000); *Devolution in Transition* (May 2000); *Devolution Relaunches* (March 2000); and *Devolution – 'A Dynamic, Settled Process'?* (December 1999).

CONTENTS

SUMMARY.....	6
1. ASSEMBLY GOVERNMENT.....	7
LABOUR’S MAJORITY IN DOUBT	7
THE WAITING GAME	8
CONSULTATION ON THE MERGER OF THE WDA, WTB AND ELWA	11
FIVE YEARS AS FIRST MINISTER.....	12
ANTI-POVERTY STRATEGY FOR CHILDREN	13
TWO NEW DEPUTY MINISTERS.....	14
FIRST MINISTER’S ST DAVID’S DAY ADDRESS.....	15
MIXED MESSAGE FROM COMMISSIONER ON PUBLIC APPOINTMENTS	15
ASSEMBLY GOVERNMENT’S WORKPLACE CULTURE CRITICISED.....	16
2. THE NATIONAL ASSEMBLY	17
PRIMARY LEGISLATION BID	17
OPPOSITION UNITE OVER ST DAVID’S DAY	18
CHIEF MEDICAL OFFICERS REPORT.....	19
ACCUSATIONS OF CHILDISH POLITICAL DEBATE.....	20
3. FINANCE.....	21
WALES AUDIT OFFICE CREATED	21
EXPLANATIONS FOR ENGLISH/WELSH DIVERGENCE IN NHS WAITING TIMES	21
RISE OF WELSH EXPORTS	22
4.POLICY DEVELOPMENT	24
HEALTH AND SOCIAL SERVICES	24
ECONOMIC DEVELOPMENT AND TRANSPORT	25
EDUCATION AND LIFELONG LEARNING	26
CULTURE, LANGUAGE AND SPORT	28
ENVIRONMENT AND RURAL AFFAIRS	28
FINANCE, LOCAL GOVERNMENT AND PUBLIC SERVICES	29
SOCIAL JUSTICE AND REGENERATION	30
5. THE LEGISLATIVE PROCESS.....	31
DRAFT WESTMINSTER BILLS	31
PROGRESS OF WESTMINSTER BILLS	32
PRIMARY LEGISLATION PROPOSALS FOR 2005-6	36
STANDING ORDER 31 - THE SUBORDINATE LEGISLATION BALLOT	39
AMENDMENTS TO THE ASSEMBLY’S STANDING ORDERS:	39
SUBORDINATE LEGISLATION PRODUCED BY THE NATIONAL ASSEMBLY	41
ORDERS TO BE MADE BY THE SECRETARY OF STATE	44
FIRST MINISTER DELEGATIONS	44
6.RELATIONS WITH LOCAL GOVERNMENT.....	45

CALL FOR GREATER LOCAL GOVERNMENT CO-OPERATION	45
GOLDEN GOODBYES	45
'OVER GOVERNMENT'	45
VALUE FOR MONEY	46
FAILURE TO COLLECT COUNCIL TAX	46
7. RELATIONS WITH WESTMINSTER AND WHITEHALL.....	47
RAILWAYS BILL	47
PRIVATE MEMBER'S SMOKING BILL	47
ST ATHAN DARA CONTROVERSY	48
8. RELATIONS WITH EUROPE.....	49
FUTURE OF OBJECTIVE 1 AND STRUCTURAL FUNDS	49
POWER STRUGGLES IN EUROPE	50
EUROPE'S CONSTITUTION.....	50
9. POLITICAL PARTIES	51
WELSH LABOUR	51
PLAID CYMRU	52
WELSH CONSERVATIVES	52
WELSH LIBERAL DEMOCRATS.....	53
10. PRESS AND THE MEDIA	54
FUTURE OF S4C.....	55
ITV1 WALES AND REGIONAL PROGRAMMING	55
MINISTER CALLS FOR QUOTAS	56
FURTHER JOB-CUTS AT THE BBC.....	56

SUMMARY

In the run up to the May general election the Assembly Government's majority was put in doubt by Blaenau Gwent AM Peter Law's announcement that he intended standing as an Independent in the constituency in the Westminster election. However, within hours he made a dramatic withdrawal, explaining it was because he had discovered he had a brain tumour and would be undergoing immediate medical treatment. Labour's response to the first statement was to say he would be expelled from the party, which would have immediately deprived Rhodri Morgan of his majority in Cardiff Bay. However, on hearing of the withdrawal of his candidature, the party said that obviated any need for expulsion. Yet Labour's majority in the Assembly remains in doubt, dependent on Peter Law's recovery and his actions when he returns to the Assembly. Currently it has 30 members to the Opposition's combined 30, with its majority ensured by the role of Plaid Cymru's Meirionnydd AM Lord Elis Thomas as Presiding Officer.

In January, the First Minister announced a long anticipated cabinet re-shuffle removing Jane Hutt from her post as Minister for Health and Social Services and replacing her with Aberavon AM Dr Brian Gibbons. Jane Hutt, retains a cabinet position, taking over as Business Minister from Karen Sinclair who remains chief whip. Despite speculation that Dr Brian Gibbons was not the First Minister's favoured choice, his appointment was welcomed by health practitioners hopeful the AM's frontline experience as a GP would bring a different emphasis to the Assembly's Government's health policy.

However, within days a damning Auditor General report, criticising the Assembly Government's failure to produce a strategy for tackling waiting lists, put health once more into the headlines. This said that initiatives that had been tried to tackle the problem were a "questionable value for money" and urged implementation of the recommendations of the Wanless Commission which the Assembly Government had set up on the issue a year earlier. At the end of March 2004 while only 18 English patients had been waiting over six months for an outpatient appointment, 6,000 Welsh patients had been waiting over 18 months. Similarly while only 17 English patients had been waiting over 12 months for an inpatient appointment, 8,500 Welsh patients had been waiting over the same time.

The criticism was swiftly followed by the intervention of the Secretary of State for Wales, Peter Hain and other Welsh MPs anxious that the Assembly Government's health failings could undermine their prospects in the forthcoming general election. In an unprecedented intervention in a devolved policy area, Peter Hain urged the administration in Cardiff Bay to adopt English methods for tackling waiting lists, in particular walk-in diagnostic treatment centres. Plaid Cymru added to the embarrassment by tabling an Assembly debate on *Who Runs the Health Service in Wales* which united the opposition parties. In mid March First Minister, Rhodri Morgan responded with new targets, pledging to reduce waiting times for outpatient and inpatients to 12 months by 2006, and six months by 2009. Although these targets do not meet Labour's 18 week general election pledge for England, this is the first time the Assembly Government has introduced a total wait target for patients.

1.ASSEMBLY GOVERNMENT

Nia Seaton and John Osmond, IWA

Labour's Majority in Doubt

In the run up to the May general election the Assembly Government's majority was put in doubt by the announcement by Blaenau Gwent AM Peter Law's announcement that he intended standing as an Independent in the Westminster election.¹ However, within hours he made a dramatic withdrawal, explaining it was because he had discovered he had a brain tumour and would be undergoing immediate medical treatment.²

Labour's response to the first statement was to say he would be expelled from the party. This would have immediately deprived Rhodri Morgan of his majority in Cardiff Bay. However, on hearing of the withdrawal of Peter Law's candidature the party said that obviated any need of expulsion.

Nonetheless, Labour's majority in the Assembly remains in doubt. Currently it has 30 members to the Opposition's combined 30, with its majority ensured by the role of Plaid Cymru's Meirionnydd AM Lord Elis Thomas as Presiding Officer. With Peter Law now likely to be absent from the Chamber for an extended period Labour's voting strength will be reduced to 29. Moreover, Peter Law has a track record of voting against the Assembly Government, for instance leading to its defeat on variable tuition fees in November 2004. His decision to stand as an independent was a protest against the imposition of an all-women shortlist by the central Labour Party on his constituency. In a statement accompanying his initial announcement to stand he declared:

“Rhodri Morgan will need to start thinking quickly. He will have to sit down and talk to me if he wants my support. Some people find it strange that there haven't been discussions with me up till now. If I'm not elected to Parliament I would not be averse to being a Minister again at the Assembly.³ I think the people of Blaenau Gwent would like that very much. But I will also talk to the Opposition parties. The main thing in my mind will be how best to serve the interests of the people of Blaenau Gwent. I wouldn't rule out anything – a grand coalition could be feasible, although some people would have an aversion to working with each another. On the other hand many people are concerned that some of the Assembly Government's policies are jaded and that those presenting them are also jaded.”⁴

¹ BBC Wales news website, 3 April 2005.

² *Ibid.*, 4 April 2005.

³ Peter Law was Minister for Environment and Local Government in the first Assembly administration led by Alun Michael, but lost his position once Labour entered a coalition with the Democrats in October 2000.

⁴ *Western Mail*, 4 April 2005.

Speaking earlier in the year, the First Minister had conceded that a more united opposition could result in his being ousted from power. The First Minister's statement to the *Western Mail* in January, followed persistent rumours that Peter Law, Labour AM for Blaenau Gwent, would stand as an independent parliamentary candidate in the general election.⁵

While the Opposition parties are united in their criticism of the Assembly Government's health policy and campaign pledges, such as 'Free School Breakfasts', key areas still divide the parties. In particular, the Conservatives and Plaid Cymru remain at odds on some issues. At the same time, back room conversations suggest that the prospects of an informal coalition between opposition parties, including the Liberal Democrats, are not impossible.

During a St David's Day lecture to the Welsh Governance Centre at Cardiff University, the leader of Welsh Conservatives Nick Bourne reiterated his belief that a 'rainbow coalition' could potentially offer an alternative agenda for Wales and called on other Welsh parties not to "rest on their ideological purity and say we don't talk to anyone else."⁶ He urged greater co-operation on areas such as health, agriculture and the Welsh language to defeat the "unhealthy" one-party-Labour-state in Wales.⁷

In January Plaid Cymru said it would not be a part of a 'rainbow coalition'. The party were quick to refute claims in the press that backstage talks with the Conservatives were taking place. A spokesperson announced:

"Our position was made crystal clear in early December, when Ieuan Wyn Jones, Leader of the Opposition and Leader of the Plaid Cymru Group in the National Assembly said he ruled out a grand coalition 'absolutely'."⁸

Michael German, Assembly Leader of the Welsh Liberal Democrats, also urged caution at Welsh Conservative proposals for an opposition coalition in the Assembly. While the AM criticised the Assembly Government for allowing Westminster to "override democracy" speaking about a possible coalition he stated, "Whilst we never rule anything out-... I would urge caution. You know this appears an unlikely alliance."⁹

The Waiting Game

⁵ Western Mail 3 January 2005.

⁶ Welsh Conservative Party Press Release 9 March 2005

⁷ *Ibid.*

⁸ Plaid Cymru *Press Release* 3rd January 2005

⁹ www.bbc.co.uk/wales 12th March 2005

A new Minister, two new initiatives on waiting lists, two critical reports, threats of industrial action and disagreements with Westminster are but a few of the developments that have introduced complications to the Assembly Government's health policy in the past three months.

In January, the First Minister, Rhodri Morgan, announced a long expected cabinet reshuffle, moving Jane Hutt from her post as Minister for Health and Social Services and appointing Dr Brian Gibbons, Assembly Member for Aberavon to her place. However, Ms Hutt retained her Cabinet position, taking over as Business Minister from Karen Sinclair, who remains Chief Whip. Jane Hutt was also given the new post of Children's Minister, overseeing the work of different departments in this area. Despite speculation that Dr Gibbons was not the First Minister's choice, his appointment was welcomed by health practitioners hopeful the AM's frontline experience as a GP would bring a different outlook to the Assembly's Health policy.¹⁰

While the First Minister claimed that this move was a pre-planned reshuffle, commentators speculated that pressure from Westminster ahead of general election campaign had forced the First Minister's hand.

Mr Morgan announced he would be giving a "free rein" to the new minister, stating that the Assembly Government's policy was now Dr Gibbons' "baby."¹¹ This statement was strongly criticised by Opposition parties who claimed it demonstrated a lack of strategic vision on health

Dr Gibbons had only a short honeymoon period in his new post before the publication of a damning report by the Auditor General, Sir John Bourn, four days later. The report by the Audit Commission on '*NHS Waiting Times in Wales*' criticises the failure of the Assembly Government to tackle the problem. The report states that in June 2004 232,168 people were waiting for a first outpatient appointment, while 75,517 were waiting for inpatient/day care treatment.¹² It also noted that despite the introduction of the Government's second offer scheme, which promises patients waiting over 18 months treatment in private or English NHS hospitals, 7,105 people in Wales had been waiting more than 18 months for inpatient/day case treatment.¹³

The Auditor General said that despite greater levels of spending per head on health than in England or Scotland, waiting times were considerably longer.¹⁴ He also criticised the Assembly Government for failing to develop a clear strategy for reducing waiting times. The report noted that while waiting time initiatives have cost the Assembly £36 million for the financial years 2002-03 and 2003-04 they have proved "questionable value for money".¹⁵ These initiatives, the report

¹⁰ *Western Mail* 11 January 2005.

¹¹ *Western Mail* 12 January 2005.

¹² Auditor General for Wales '*NHS Waiting Times in Wales Vol.1 The Scale of the Problem*' January 2005.

¹³ *Ibid.*

¹⁴ *Ibid.*

¹⁵ Auditor General For Wales '*NHS Waiting Times in Wales Vol.2 : Tackling the Problem.*' January 2005.

claims, have not “generally delivered sustainable reductions in waiting times” and have failed to tackle the underlying causes of long waiting times in Wales.¹⁶ Presenting his report, the Auditor General stated:

“The Welsh Assembly Government and NHS must address and drive down waiting list times for the people of Wales.”¹⁷

The report made multiple recommendations, including that the Government take immediate steps to reduce inequalities in access to health services; that it publish more specific data on wait times; that delays in discharging patients are reduced; and that the Government develop and communicate a more consistent strategy on wait times.¹⁸

Opposition parties urged the Government to take immediate action on what they dubbed a devastating report on health policies. Welsh Conservative health spokesman, Jonathan Morgan, said the Government should be “utterly ashamed” of the outcomes of the investigation, while Liberal Democrat AM, Kirsty Williams, said that the findings were “a predictable result of a patchy approach to health.”¹⁹

The publication of this report increased pressure from Welsh Labour MPs for a change in policy. Following open and public criticism by two Welsh MPs, Jon Owen Jones (Cardiff Central) and Kim Howells (Pontypridd), the Secretary of State for Wales, Peter Hain, made the unprecedented move of urging the Assembly Government to adopt a change in its health policy.

Mr Hain recommended that the Assembly Government emulate English policies on waiting time reductions, such as the use of mobile diagnostic centres. This appeal came despite warnings from Dr Gibbons that English solutions were unlikely to be suitable for Wales. The interference of Westminster in a matter of devolved government was widely speculated upon as a move to protect Welsh Labour MPs ahead of the general election.

Tabling a debate entitled “Who Runs the NHS in Wales?” Plaid Cymru leader, Ieuan Wyn Jones, AM, criticised the Assembly Government for introducing health policies aimed at what he described as “the short term political interests of Welsh Labour MPs in marginal seats.”²⁰ The debate also demonstrated the continued concern of all the Assembly opposition parties on health, with members from all three parties uniting in their attack on the Assembly Government.

On 17 March the First Minister and Dr. Gibbons, announced new waiting list targets. These followed the Assembly Government’s pledge to spend £32 million on reducing waiting times for outpatients and inpatients to 12 months by April 2006.²¹ The new targets aim to reduce the wait to 16 months by 2007 for total

¹⁶ *Ibid.*

¹⁷ *Press Release* Office of Auditor General for Wales 14 January 2005.

¹⁸ Auditor General For Wales ‘*NHS Waiting Times in Wales Vol.2*’

¹⁹ *Western Mail* 14 January 2005.

²⁰ *Assembly Record*, 9 March 2005.

²¹ *Assembly Press Release* 17 March 2005

outpatient and inpatient wait, and six-months from the time of a GP referral to treatment by 2009.²² The Minister announced that a further £30 million would be given to capital programmes targeted at reducing waiting lists, with money being ring-fenced to guarantee the achievement of new targets.²³ Though speculation continued that this was a Westminster request, the new targets largely follow the recommendations of the Auditor General's final report.

While the First Minister was heralding the announcement as the beginning of "dramatic" inroads into waiting list times in Wales, the British Medical Association (BMA) was adding to criticism of Assembly health policies with a vote of no confidence in the Assembly Government handling of a pay agreement with consultants.

This dispute has arisen as a result of the failure of the Assembly Government to pay consultants overtime payments guaranteed under the new contracts negotiated in 2003. Consultants have not been paid for overtime since the contract was accepted, resulting in an ultimatum to the Assembly Government followed by the no-confidence vote. Despite claims that the situation had resulted in "calamity" and strong criticism from all sides, Rhodri Morgan, described the incident as a "temporary industrial relations difficulty."²⁴ Dr Gibbons stated that the matter was close to being resolved.²⁵

Consultation on the Merger of the WDA, WTB and Elwa

Following the announcement that the Welsh Development Agency (WDA), the Wales Tourist Board (WTB) and Elwa (Education and Learning Wales) will merge with the Assembly by 1 April 2006, the First Minister launched a consultation document on the merger process. The document outlines the shape of the new departments and Assembly functions and outlines the predicted costs and savings of the project. The document, entitled *Making the Connections: Consultation on the merger of Elwa, the WDA and WTB* is the second consultation document to be launched on the future of public services in Wales.²⁶ The first *Making the Connections: Delivering Better Public Services in Wales* was launched in December, promising resource savings and greater efficiency by 2010. Launching the document, the First Minister claimed it set out a "radical vision of a much more integrated Welsh Public Service."²⁷ It addresses six key areas of the merger:

- Accountability and External Advice
- Improving Customer and Stakeholder Services

²² *Ibid.*

²³ *Ibid.*

²⁴ *Western Mail*, 17 March 2005.

²⁵ *Ibid.*

²⁶ Welsh Assembly Government, *Making the Connections: Consultation on the Merger of Elwa, the WDA and WTB*, January 2005.

²⁷ *Assembly Record*, 19 January 2005

- Applying Best Practice
- Streamlined Delivery
- Opportunities for Staff
- Organising to Deliver

The document also outlines new structures for the Assembly, to include: strategic advisory panels in each new department; a panel to advise on commercial interest; an advisory panel on tourism; subject specific panel as the need arises; and a cross-portfolio panel chaired jointly by the Economic Development and Education Ministers.

The document additionally outlines costs and savings from the merger. It is predicted that the merger will produce ongoing recurring savings of approximately £110 million per annum by 2009 and that initial costs of setting up new structures will be around £10-12 million for each budgetary year over the next five to six years. However, these costings do not include staff-related investment or the cost of relocating some functions regionally.²⁸

The launch of the document was criticised in plenary by AMs who only had sight of the document at the start of the session. Opposition parties argued that this had not given them enough time to scrutinise the document before the debate and so voted to end the debate prematurely. Both the Liberal Democrats and Plaid Cymru submitted amendments requesting that detailed cost and savings figures be published.²⁹ The Welsh Conservative Party introduced an amendment that deplored the lack of consultation prior to the announcement of the merger and opposed the changes proposed to the Welsh Language Board, Arts Council, Sports Council and Countryside Council made under the second merger announcement.³⁰

Labour AM, Leighton Andrews, also criticised the timing of the document and stated his concerns about a monolithic merger of the WDA and his objections to the absorption of the Arts Council. Nonetheless, the AM voted in line with his party and the motion supporting the merger was passed by 30 votes to 16.

Consultation on the document will conclude on 15 April 2005.

Five Years as First Minister

On 8 February Rhodri Morgan celebrated five years as First Minister. He claimed his most important task during the period had been to bring politicians closer to the people of Wales by helping to develop an understanding of the devolution process. He described his first five years as a “continuous conversation with the people of Wales.”³¹ The First Minister was proud to be seen as an “approachable” leader and hailed the fall in levels of unemployment as his greatest achievement.³²

²⁸ *Ibid.*

²⁹ *Ibid.*

³⁰ *Ibid.*

³¹ *The Western Mail* 28 February 2005

³² *Ibid.*

However, Ieuan Wyn Jones, Plaid Cymru AM, criticised the First Minister for failing to deliver in a number of key areas including health, securing a new round of Objective One funding, aiding first time buyers and in his failure to deliver an Assembly with greater powers.³³ Welsh Conservative Party leader, Nick Bourne, also criticised the First Minister's record. The AM denounced the First Ministers time as "a wasted five years in office."³⁴ Mr Bourne claimed that the First Minister had presided over increased waiting lists times, soaring council tax and confusion over top-up fees post 2007.³⁵

Anti-poverty Strategy for Children

The First Minister, Rhodri Morgan and the newly appointed Minister for Children, Jane Hutt, launched a new anti-poverty strategy for children entitled, *A fair future for children*.³⁶ Under this new strategy the Assembly Government has pledged to cut child poverty in half by 2010 and to eradicate it completely by 2020. Speaking at the launch, the First Minister claimed the strategy:

“... will bring together the many strands of good work taking place across the Government to ensure our children and young people have the best possible start in life...”³⁷

The strategy aims to tackle poverty in three areas - incomes, participation, and services - tying existing government policies in with new initiatives. As the new Minister for Children Jane Hutt will be responsible for ensuring the co-ordination of the different ventures and for mainstreaming the strategy into all areas of government responsibility.

However, while Jane Hutt gains the title of Minister for Children she will not have any budgetary or functional capacity under this role. Cabinet Ministers who will have these responsibilities are,

- The Minister for Health and Social Services, Brian Gibbons, will be responsible for children's healthcare, social services and Care Standards Inspectorate Wales (CSIW).
- The Minister for Education and Lifelong Learning, Jane Davidson, will retain current responsibilities and gain responsibility for the Cymorth Fund, Play and Childcare and will conduct all Assembly Government contact with the Children's Commissioner.
- The Minister for Social Justice and Regeneration, Edwina Hart, will take responsibility for implementing the Assembly's anti-poverty strategy including provisions for Child Trust Fund Wales and Cafcass, the Children's Court and Family Services.

³³ *Plaid Cymru* Press Release 8th February 2005

³⁴ *Welsh Conservatives* Press Release 8th February 2005

³⁵ *Ibid.*

³⁶ Assembly Government Press Release, 8 February 2005.

³⁷ *Ibid*

- The Minister for Economic Development, Andrew Davies retains responsibility for transport for children and the safe route to schools scheme.
- The Minister for Culture, Language and Sport, Alan Pugh, will retain his responsibilities for children's policy, which include policy initiatives such as the free swimming initiative.³⁸

Jane Hutt, introduced the Government's response to the Child Poverty Taskforce during plenary on 9 February. The findings of the Taskforce were largely in line with those of the Children's Commissioner for Wales, who had reported child poverty to be one of the greatest problems facing Welsh children in his presentation of his 2003-4 report. The Minister introduced a motion that supported the work of the task force and acknowledged that the Assembly Government needed to "optimise the use of its powers" in this area.³⁹

While welcoming the work of the task force, Plaid Cymru, criticised continuing levels of child poverty and introduced an amendment that criticised the Labour Government for abandoning its "socialist principles of redistributing wealth". Plaid Cymru also pledged to support the amendments introduced by the Liberal Democrat and Conservative parties.⁴⁰

Liberal Democrat, Peter Black, on behalf of Kirsty Williams, introduced an amendment to support extending the powers of the Children's Commissioner to cover all areas of government. Speaking in favour of the amendment, the AM highlighted the high-profile role the commissioner has already taken in Wales and the benefits the creation of his position had generated for Welsh children.⁴¹ He also urged the Assembly to protect the powers of the commissioner against the English Commissioner for Children, who has a much weaker remit but responsibility for child matters in non-devolved areas.⁴²

The Welsh Conservatives, welcomed the work of the group and of the Commissioner for Children. The party also introduced an amendment congratulating the Assembly for adopting a strategy based on the core principles of the UN Convention on the Rights of the Child.⁴³ This amendment was widely supported by all AMs in recognition of the stronger rights based approach adopted in Wales in comparison to the approach adopted by the UK Government in England. All members voted for the amended motion, which was passed with 56 votes in favour.

Two New Deputy Ministers

The First Minister also announced the appointment of two new deputy ministers as part of his cabinet re-shuffle. The AM for Preseli-Pembrokeshire, Tamsin

³⁸ *Cabinet Written Statement* 24 January 2005.

³⁹ The Assembly Record *Plenary* 9th February 2005

⁴⁰ *Ibid.*

⁴¹ The Assembly Record *Plenary* 9th February 2005

⁴² *Ibid.*

⁴³ *Ibid.*

Dunwoody-Kneafsy was appointed Deputy Minister for Economic Development and Transport. Ms Dunwoody-Kneafsy is serving her first elected term in the Assembly and has prior experience of the business sector.

Christine Chapman, AM for Cynon Valley, was appointed Deputy Minister for Education and Lifelong Learning. It is thought that this appointment was made following lobbying by Jane Davidson the Minister for Education and Lifelong Learning for the appointment of a deputy.⁴⁴

First Minister's St David's Day Address

In his annual St David's Day address the First Minister, Rhodri Morgan, said that despite much economic and cultural progress negative images of Wales based on "sheep and coal mines" remained.⁴⁵ The First Minister argued that these images no longer reflected the reality of this situation, as Wales increasingly becomes an "attractive" place to live, study and do business. He also welcomed the development of the Wales Millennium Centre, which has meant that "Wales is ceasing to be Europe's best kept secret."⁴⁶

The First Minister celebrated St David's Day with a surprise visit to Welsh troops in Southern Iraq on 1 March and by hosting a St David's day celebration for 100 diplomats in London on 4 March. The event was intended to show case Wales as a place to invest, study and visit and to build on the "strong Consular associations" developing in Wales.⁴⁷

Mixed Message From Commissioner on Public Appointments

Alan Pugh, Minister for Culture, Language and Sport, received mixed messages from the Commissioner on Public Appointments, Dame Renna Fritchie, in her report on the appointment of Meri Huws to head the Welsh Language Board. The Commissioner was investigating allegations made by Owen John Thomas, Plaid Cymru AM, that Alan Pugh had breached rules of equality of opportunity in making the appointment. Owen John Thomas, who had been part of the interviewing panel, claimed the Minister had insisted on appointing Meri Huws despite the fact that she had received lower interview scores than another candidate. He also alleged that the minister had failed to follow proper procedures by only taking notes on his preferred candidate.

⁴⁴ *Western Mail* 15 January 2005.

⁴⁵ *Western Mail* 28 February 2005

⁴⁶ *Ibid.*

⁴⁷ Assembly Government Press Release, 4 March 2005.

In her report the Commissioner rejected the suggestion that equal opportunity law had been broken but noted serious “shortcomings” in the appointments process.⁴⁸ She noted that in Wales, provided all candidates recommended met the criteria, “ultimate responsibility” for appointments resides with the minister.⁴⁹ In this case, therefore, it was concluded that the Minister for Culture, Language and Sport, Alan Pugh, had not breached equal opportunities law. However, the Commissioner was critical of the failure of the Minister to fill in forms for all candidates and of the administrative shortfalls that had occurred in rushing the announcement of the appointment.⁵⁰ The report also criticised Owen John Thomas for revealing personal and confidential information to the press.

The Assembly welcomed the decision noting the criticism of procedural matters. Owen John Thomas rejected the report as “whitewash” and stated that the Commissioner had failed to investigate all relevant evidence.⁵¹

Assembly Government’s Workplace Culture Criticised

At the beginning of February, the *Western Mail* revealed that since 1999 fifty allegations of workplace bullying had been made by people working in the Assembly.⁵² Information released to the paper under the Freedom of Information Act demonstrated that to date four formal allegations of bullying had been made, with one allegation partially upheld. There have also been fourteen informal allegations of bullying resolved via line managers, five informal allegations resolved via conciliation and two informal allegations resolved by intervention from the Equal Opportunities Officer. Thirty-two other informal allegations were made but no further action was taken in these cases.

Nick Bourne, leader of the Welsh Conservatives, said that these figures should be of “very serious concern”, given that the Assembly Government had the responsibility of leading by example.⁵³ Responding to the claims made by the *Western Mail*, the Assembly Government stated that it welcomed “action the Permanent Secretary has taken to deal with work place bullying..”⁵⁴

⁴⁸ www.bbc.co.uk/wales 3 January 2005.

⁴⁹ *Western Mail* 3 January 2005.

⁵⁰ *Ibid.*

⁵¹ *Ibid.*

⁵² *The Western Mail* 3rd February 2005

⁵³ *Ibid.*

⁵⁴ *Ibid.*

2. THE NATIONAL ASSEMBLY

Nia Seaton, IWA

Primary Legislation Bid

Ahead of the annual debate on the primary legislation bid, it was disclosed that a White Paper proposing greater powers for the National Assembly would be published by the Welsh Assembly Government in June, following the general election.⁵⁵ Members of the Assembly and the Presiding Officer voiced concern that a White Paper would be published without wider consultation.

The primary legislation bid made annually to Westminster sets forth Assembly requests for primary legislation. In plenary session on the bid, the First Minister, Rhodri Morgan, confirmed that claims published in the *Western Mail* “are not a million miles away from the truth.” The Primary Legislation Bid will contain a Government of Wales Bill aimed at giving the Assembly “more elbow room” to manoeuvre.⁵⁶ Other Bills included in the primary legislation bid are a Commissioner for Older People Bill, a Housing and Local Government Bill, a Tourism Accommodation Bill, and a Welsh Language Scheme Regulator Bill.

The First Minister urged all Assembly Members to support this “coherent programme” of legislation and to not make amendments that amounted to impossible wish lists.⁵⁷ However, he came under fire from all opposition leaders for the unambitious nature of the programme.

Nick Bourne, Welsh Conservative Leader, criticised the First Minister for failing to honour his commitment to introduce legislation that would make St. David’s Day a public holiday. The Welsh Conservative leader also criticised proposals for the Government of Wales Bill as being “bits of red meat to be thrown to unreconstructed Labour politicians.”⁵⁸

Ieuan Wyn Jones, Assembly leader of Plaid Cymru, rejected the legislative programme of the Assembly Government and introduced an amendment calling for the recommendations of the Richard Commission to be implemented in full. Plaid Cymru also introduced an amendment calling for financial devolution and the replacing of the Barnett Formula. The Plaid Cymru leader criticised the Assembly Government for introducing the same Bills year after year without any success. The solution to this, he claimed was “ a real parliament” with primary legislative powers.⁵⁹

⁵⁵ *Western Mail* 16 March 2005.

⁵⁶ *Assembly Record*, 16 March 2005

⁵⁷ *Ibid.*

⁵⁸ *Ibid.*

⁵⁹ *Ibid.*

Strongest criticism of all, however, came from the Assembly Leader of the Liberal Democrats, Michael German. The AM introduced an amendment on behalf of Kirsty Williams, that requests

“... the Assembly Cabinet pursue with the UK Government a Government of Wales Act to reconstitute the National Assembly as a Welsh Senedd with primary lawmaking powers...”⁶⁰

Michael German accused the Assembly Government of playing “Oliver to the Westminster Government desperately pleading ‘for more, please, sir’”.⁶¹ John Marek, leader of the Forward Wales party and Deputy Presiding Officer, also criticised the government for proposing to introduce a Government of Wales Bill, with proposals for separating the executive and cabinet without wider consultation. He claimed that consultation with all those involved in participating in the Assembly would not only be good politics but would also produce a better Bill and consequently better government.

Another widely supported amendment was introduced by Plaid Cymru that proposed to include an open cast and mineral extraction Bill to establish a 500 metres separation distance between proposed sites and residential settlements. This amendment was supported by all opposition parties and the Labour AM, Peter Law, allowing the amendment to pass by 29 votes to 28.

Voting on other amendments largely followed party lines, with a strict division between opposition parties and the Assembly Government on key amendments. The Welsh Liberal Democrat motion calling for the Government to press for a parliament failed by 22 votes to 33, with the Welsh Conservatives Alun Cairns, William Graham, Mark Isherwood and Jonathan Morgan joining the Assembly Government in voting against the motion.

The amended motion was passed by 41 votes to 11, with all 11 Welsh Conservative Party AMs voting against the motion and 5 abstentions from the Welsh Liberal Democrats.

Opposition Unite Over St David’s Day

The leaders of the Assembly Opposition parties, Nick Bourne, Michael German and Ieuan Wyn Jones, issued a joint statement criticising the First Minister for failing to secure a public holiday on St David’s Day. The Assembly voted in favour of introducing such a holiday five years ago but without the powers to introduce the relevant legislation it has relied on the First Minister to negotiate an agreement with Westminster.

⁶⁰ The Assembly *Record*, 16 March 2005.

⁶¹ *Ibid.*

In a joint press statement, released on 1 March, the Opposition leaders criticised the First Minister for his lack of “conviction” and “half hearted attempts.”⁶² The statement noted that after one thousand, eight hundred and twenty-six days of waiting the First Minister’s promises appear increasingly invalid. The statement went on to say that,

“Rhodri Morgan often talks about the benefits of strong Labour links between Cardiff Bay and Westminster but they have proved of little use to anyone here in Wales ... Wales is being stifled by London Labour and Rhodri Morgan’s ineffective leadership.”⁶³

Responding, in First Minister’s Question Time to criticism from Plaid Cymru AM, Owen John Thomas, the First Minister stated that he had not “given up” on the prospects of a public holiday on 1 March but that discussions “had not yet proved successful.”⁶⁴ A further blow was dealt to the First Minister’s hopes by the Prime Minister’s rejection of the possibility during Prime Minister’s Questions. Responding to a question posed by Liberal Democrat MP, Lembit Opik, the Prime Minister announced that

“... unless I could be really sure that it wouldn’t do damage to the Welsh economy and elsewhere, I couldn’t agree to it.”⁶⁵

The Secretary of State for Wales, Peter Hain, echoed the Prime Minister’s sentiments stating that while he was not opposed to the policy he would like to see an investigation into the effect of introducing a public holiday on Welsh business.⁶⁶

Chief Medical Officers Report

During plenary on 22 February, the Assembly debated the contents of the Chief Medical Officer’s report published on 3 February. The report is the first in a new series of reports on Welsh progress towards a number of key health targets. The report focused on three key areas of health policy:

- Respiratory diseases
- Sexual health
- Physical exercise

Introducing the report to plenary Dr. Brian Gibbons, Minister for Health and Social Services, concluded that much had been done to improve health in Wales over the past decade. He claimed this had been achieved not just through the NHS

⁶² www.epolitix.com 1 March 2005

⁶³ *Ibid.*

⁶⁴ *Assembly Record*, 22 February 2005.

⁶⁵ *Grayling Strategy W/E* 4 March 2005.

⁶⁶ *Western Mail*, 1 March 2005.

but also through the wider agenda being promoted by the Assembly Government.⁶⁷

However, the Opposition parties were not in hurry to support the Minister's conclusion and introduced a number of amendments. All three introduced amendments that criticised the Government for failing to meet ten of the fifteen health targets set for 2002. Plaid Cymru's health spokesman, Rhodri Glyn Thomas, introduced two amendments criticising the lack of progress made and the continuing health inequalities in Wales. Speaking in favour of both amendments, the AM called upon Labour AMs to back amendments that "Aneurin Bevan would not have had a problem" supporting.⁶⁸

Jonathan Morgan, Welsh Conservative AM, also introduced two amendments on behalf of David Melding that noted the party's dismay at the number of unachieved targets and the lack of progress in improving levels of respiratory diseases. The AM also welcomed the Assembly Government's Health Challenge Wales scheme (aimed at promoting healthy lifestyles) but claimed that more hard-hitting strategy and concrete financial commitments were needed.⁶⁹

Launching the report Ruth Hall, the Chief Medical Officer, had stated that while some progress had been made towards meeting targets it had not been "fast enough" or "substantial enough."⁷⁰ Despite the failure of the six amendments proposed by the Opposition parties, all members voted in favour of Dr. Gibbons's motion welcoming the report and endorsing the report's call for Health Challenge Wales to become a focus of national efforts.

Accusations of Childish Political Debate

In an interview with the *Western Mail*, Peter Hain, Secretary of State for Wales accused the Assembly of conducting childish political debate that is "turning off" voters.⁷¹ The Secretary of State argued that Wales needs more grown-up political debate that focuses on the issues rather than politicians who concentrate on "some obscure Assembly point."⁷² He also argued that "the lack of a decent opposition" in Wales was hindering the development of high quality political discussion.⁷³

The Secretary of State for Wales, has himself been criticised by Opposition parties for his suggestion that the Assembly Government should follow English policies on health. Opposition parties accuse the UK Government of interfering in matters of devolved government.

⁶⁷ *Assembly Record*, 22 February 2005.

⁶⁸ *Ibid.*

⁶⁹ *Ibid.*

⁷⁰ *Western Mail*, 3 February 2005

⁷¹ *Western Mail*, 1 February 2005

⁷² *Ibid.*

⁷³ *Ibid.*

3. FINANCE

James Foreman-Peck, Cardiff Business School

Wales Audit Office Created

Another Welsh acronym was born into an expectant world on the first of April, WAO – for the Wales Audit Office. The Public Audit (Wales) Bill merges the Audit Commission in Wales and the National Audit Office in Wales under the Auditor General in Wales to create the Welsh Audit Office. The WAO will be responsible for the audit of over £19 billion of public expenditure annually at all levels of administration in Wales, from Local Health Boards to the Welsh Assembly Government.

Unlike private sector auditors, appointed by management from among competing accounting firms, on behalf of shareholders, there is only one state auditor for any function, reporting to the elected bodies. This arrangement has the advantage that the government auditors need not concern themselves about reappointment or their fees in relation to those of competitors. Consequently they may be inclined to look harder and in more detail at activities that competitive auditors might ignore, without the worry of being ‘off-message’ with ‘management’.

Explanations for English/Welsh Divergence in NHS Waiting Times

The release in January of the ‘Janet and John’ version of the Audit Commission’s earlier two volume report on the NHS in Wales might be interpreted as rubbing salt into the wound with publicity for the Welsh Assembly Government.⁷⁴ Despite greater health spending per head in Wales than in England, patient waiting times are longer. Among other points the report appears to show that in health spending, a formula for resource allocation according to needs appears to be at work. Some have argued for a similar principle to apply to the whole Assembly Government block grant. In health the Audit Commission demonstrates that the areas with the highest incomes have the lowest effective resources. The affluent Vale of Glamorgan and Cardiff zones experience the longest waiting times for hospital treatment.

The embarrassment for management is of course that there is the English yardstick. According to the auditors, health administrators in England use resources better. Ahead of the release, in December, the then Health Minister Jane

⁷⁴ NHS Waiting Times in Wales: *Report by Auditor General for Wales*, presented to the National Assembly on 14 January 2005.

Hutt announced 'tough new targets' to bring down waiting lists.⁷⁵ Subsequently the new Health Minister Brian Gibbons has thrown in another £32 million to reduce waiting times⁷⁶. As the general election draws closer the First Minister himself announced on March 18 that there would be no waits longer than six months- in four years time- helped by increases in investment in NHS facilities, and the 'second offer' scheme (that all inpatients would be seen within 12 months or offered treatment elsewhere)⁷⁷. But why the divergence from English health performance under the Assembly Government in the first place?

One possibility is simply the targeting of different objectives and different measures- both of which are pertinent to the Welsh health service experience. Targeting one measure rather than another can lead to an improvement in the one at the expense of the other. Since not all aspects of performance can be, or are, measured, then an apparent improvement in service may mask a deterioration. Unfortunately, the Audit Commission does not find compelling this type of explanation for the Welsh-English divergence in health statistics.

Rise of Welsh Exports

Figures published in January demonstrate that Welsh exports closed on £2bn for the third quarter of 2004. The EU was the biggest destination for Welsh exports with a significant increase in amounts exported to China.⁷⁸ Figures published in February also indicated upward trends for average earnings figures. Average earnings figures in Wales rose by 5.4% over 2004, compared to a 4.1% average for the UK as a whole.⁷⁹ The Minister welcomed the figures as a clear demonstration of the positive impact of Government policies. Commentators, however, remained cautious in their approach to the new figures, given that the pay gap between earnings in Wales and the rest of the UK remains at 12.5%.⁸⁰ Only Northern Ireland and the North-East of England have lower average earning figures than Wales.

It is not unknown for jumps in official statistical series to originate in unpublicised changes in personnel or procedures. The shorter the period of measurement the more likely is a change to be idiosyncratic. So the 22 percent increase in Welsh exports in the last quarter of 2004 compared with the last three months of 2003, might perhaps be a chance fluctuation. But the rise by more than one billion pounds (or 14 per cent) over the whole of last year is more probably a genuine change. Even so the observation that for the whole of the UK exports grew by less than one percent in 2004 gives pause for thought.

⁷⁵ Tomos Livingstone *New bid to cut NHS waiting lists* *Western Mail*, 22 December 2004.

⁷⁶ Aled Blake *'Extra £32m to go towards tackling NHS waiting lists'*, *Western Mail* 24 Feb 2005

⁷⁷ Madeleine Brindley *'No waits longer than six months by 2009'*, *Western Mail* 18 March 2005

⁷⁸ *Western Mail* January 6th 2005

⁷⁹ Assembly Press Release February 22nd 2005

⁸⁰ *Western Mail* February 23rd 2005

Still, good news should not be ignored simply because it is welcome. In a small economy that must sell beyond its borders to survive, higher exports mean more employment and higher wages. And this is what we see. In 2004 Welsh earnings grew more rapidly than in the UK as a whole, and male earnings rose faster than in any other part of the mainland Britain. Nominal earnings remain slightly lower than the UK average but a large proportion of this divergence is a consequence of the mix of occupations. Process, plant and machinery workers earn more in Wales than the average for similar employees in the UK as a whole, for instance.

Why is this? An employer will pay according to the productivity of workers and the prices at which the products can be sold. When there are fewer employees each one is likely to be more productive (Welsh manufacturing has shrunk) and therefore can earn more money. Unions may push up pay by restricting access to jobs, but productivity and product prices remain fundamental for an employer.

What matters for an employee is slightly different; it is what their earnings will buy and what must be done to get the money. A lower cost of living than the UK average and shorter travel to work times encourages a worker to accept a lower money wage in Wales, and therefore tends to expand employment. On the other hand a poorer health service than available across the border pulls the other way. It makes working in Wales look less attractive and therefore higher money wages (causing lower employment) are needed in compensation. So to the extent that the auditors of government encourage the Assembly Government and the NHS in Wales to provide a better health service they will also indirectly boost employment in the private sector.

4.POLICY DEVELOPMENT

Nia Seaton IWA

Health and Social Services

In a move welcomed by opposition AMs, the Assembly Government released NHS trust figures for the rate of infectious diseases. The Government and previous health minister, Jane Hutt, had been under considerable pressure from opposition parties to publish these figures.

Following demands under the Freedom of Information Act, figures were released on 3 February 3 and showed that Welsh hospitals had a lower rate of infection than their English counterparts.⁸¹ The NHS Trust with the highest figure of 0.30 cases per 1,000 beds was the Velindre NHS Trust in Cardiff.⁸² However, hospitals and ministers were keen to stress that comparing like-for-like figures could be distorting as smaller hospitals and specialist hospitals would have a disproportionately higher rate of infection.⁸³ On a similar note the minister, announced on 2 February that new proposals aimed to simplify the presentation of, healthcare associated infection rates, would soon be published for consultation.⁸⁴

The Assembly Government has signalled its intention to withdraw from the National Institute for Clinical Excellence Scheme (Nice) set up in 1999 to regulate the introduction of new drugs on to the NHS.⁸⁵ Originally established to avoid a postcode lottery where some drugs were available in some NHS trusts and not others, critics fear there will be a return to this lottery once Wales withdraws from the scheme. The Assembly Government claims the move is necessary to avoid being drawn into new regulations being adopted in England.⁸⁶ Wales will still be able to follow the recommendations made by the organisation, despite amending its formal relationship. Kirsty Williams, the Liberal Democrat's health spokesperson, called upon the Government to reassure patients that they would not lose out as a result of this decision.⁸⁷

⁸¹ *Western Mail*, 4 February 2005.

⁸² *Ibid.*

⁸³ www.bbc.co.uk/wales 3 February 2005.

⁸⁴ Assembly Government *Press Release* 2 February 2005.

⁸⁵ *Western Mail* 24 February 2005.

⁸⁶ *Ibid.*

⁸⁷ *Ibid.*

Economic Development and Transport

This area of policy has had a mixed record over the last three months. While hosts of new statistics and figures offer positive indicators on the state of the Welsh economy, the Assembly Government has come under fire for its lack of progress in delivering some of its key economic initiatives.

In November, the Minister for Economic Development and Transport, Andrew Davies, announced an additional £12million in funding for the Heads of the Valleys Region. The money is aimed at encouraging co-operation between Heads of the Valleys authorities. The initiative requires the five authorities to produce a joint strategic regeneration strategy by Easter of this year. Meetings between lead figures of the five authorities and Assembly Government officials have been ongoing and an announcement on the initiative's progress was expected by the end of March. Speaking at the launch of the initiative in November, the minister, stated that in the past a lack of proper co-ordination had hindered the economic development of the region.⁸⁸

In the plenary on 9 February Ministers were asked to debate the Wales Transport Strategy launched by the Assembly Government in December 2004. The strategy outlined a number of improvements to transport infrastructure, including a new M4 relief road around the Newport area, which is likely to be a toll road similar to the new M6. Economic Development Minister Andrew Davies noted the importance of an effective transport system for the Welsh economy and acknowledged that while progress had been made, the new strategy will increase the speed at which transport policies will be delivered.⁸⁹ Alun Cairns, Conservative spokesperson on Economic Development and Transport, attacked the Government's previous record on transport and drew attention to the pleas of CBI Wales, which had urged all Assembly members to support a major investment in Welsh transport.⁹⁰ The Minister was also criticised for failing to put a stronger emphasis on public transport.

The Economic Development Minister came under fire from opposition AMs following revelations about the progress of the Technium centres policy. The *Western Mail* revealed that despite continued delays in securing funding for the Auto Technium in Llanelli, the Assembly Government had attempted to put a positive spin on the project to journalists.⁹¹

Addressing the issue in plenary on 23 February, Mr Davies claimed that it was "no secret" that he had grave concerns about the Welsh Development Agency's (WDA) management of the Technium programme and it was one reason why the Assembly Government had decided to merge its functions into the Assembly.⁹² Liberal Democrat AM, Jenny Randerson, questioned the economic value of the project, given that the £70 million spent to date has only produced 236 jobs.⁹³ The

⁸⁸ www.bbc.co.uk/wales 22 November 2004.

⁸⁹ *Assembly Record Plenary* 9 February 2005.

⁹⁰ *Ibid.*

⁹¹ *Western Mail*, 2 February 2005.

⁹² *Assembly Record*, 23 February 2005.

⁹³ *Ibid.*

Minister responded by claiming that he has raised issues of concern with the WDA chief executive during their monthly meetings and would continue to monitor the situation.⁹⁴

Education and Lifelong Learning

With a final report due in April, the Rees Commission under the chairmanship of Professor Teresa Rees of Cardiff University, published an Interim Progress Report, outlining six options for future funding of higher educational institutes (HEI's) in Wales.

The commission was set up by the Minister for Education and Lifelong Learning, Jane Davidson, to advise the Assembly Government on how best to use the powers devolved to it under the Higher Education Act of 2004. English institutions will introduce variable fees of up to £3,000 for students from September 2006 but the Assembly has pledged not to introduce top-up fees during the lifetime of this Assembly. Shortfalls in funding to Welsh HEIs under this policy will be made up through a supplementary income stream (SIS) provided by the Assembly.

Sustaining the SIS policy after 2006/7 was one of six options outlined for consideration by the Rees Commission in its report. The Commission stressed final recommendations would not be made until April after the costs and benefits of every option had been analysed in greater detail. Options outlined include:

- Maintaining the Status Quo with fixed fees of £1,200 and SIS to HEIs totalling £28 million for 2006/7, rising to £73 million by 2009/10.
- Introducing a fixed fee of £2,000 and SIS to HEIs of £28 million for 2006/7, rising to £34.3 million in 2009/10
- Adopting the English model of competitive variable top-up fees of up to £3,000 and SIS to HEIs totalling £28 million for 2006/7, decreasing to £3.7 million for 2009/10, with universities required to provide bursary support for some classes of students
- Part managed fee system combined with a national bursary scheme and SIS to HEIs totalling £28 million for 2006/7, decreasing to £3.7 million in 2009/10
- Differential variable fees, which would see Welsh students paying different rates to non Welsh domiciled students. Welsh students could pay up to £2,500 while non Welsh domiciles could pay up to £3,000. This would be combined with a national bursary scheme, with differences in fees charged being made up by SIS totalling £28 million 2006/7, decreasing to between £26 million and £15.7 million in 2009/10.
- A £3,000 fixed fee combined with a national bursary scheme and SIS of £28 million for 2006/7 decreasing to elimination of any additional income support from the Assembly by 2009/10.⁹⁵

⁹⁴ *Ibid.*

⁹⁵ *The Rees Review*, Progress Report February 2005.

All options involve the scrapping of upfront payment of fees and require graduates to pay back fees once they have obtained a specific salary level. In its report the Commission emphasised that its recommendations would follow principles established by the group, including the need for higher education to

- Be responsive to the Welsh economy.
- Maximise opportunities for all.
- Provide “additional, adequate and sustained funding for Welsh HEIs.”⁹⁶

Jane Davidson, welcomed the publication of the interim report stating that it had given the government plenty of “food for thought” on a complex issue. She committed the government to maintaining its pledge of not introducing top-up fees before the next Assembly elections in 2007 but emphasised the need for ongoing discussion.

University principals concerned about future sustainability, welcomed the inclusion of option three, arguing that Welsh HEIs needed to compete effectively with their English counterparts. However, while welcoming proposals for a national bursary scheme, NUS Cymru expressed disappointment that the scrapping of tuition fees had not been considered.⁹⁷ The union has pledged to launch a mass lobbying campaign on the Assembly.

Opposition members also remained sceptical about the proposals, with the Conservative AM, David Davies, claiming the Commission was a delaying tactic to postpone an inevitable decision.⁹⁸

In an article published on 19 January, the *Western Mail* claimed it had discovered that the Assembly Government’s ‘Free Schools Breakfast’ pledge had been a ‘gigantic con’.⁹⁹ The pledge to offer ‘Free School Breakfasts’ to all primary school children, formed part of the Assembly Government’s election pledge in 2004. The *Western Mail* claimed that despite making a pledge to provide for all children, initial costings of the scheme were made on the basis of an 11 per cent take up rate.¹⁰⁰ It also revealed that there was uncertainty over the costs of each breakfasts with estimates ranging from £1.50 to £0.33 pence.¹⁰¹ As a result a pledge originally costed at £16 million could end up costing £81,75 million.

Opposition members strongly criticised the Government’s actions. Janet Ryder, Plaid Cymru’s Shadow Education Minister, stated the Government’s commitment to this pledge without adequate knowledge of its cost was “appalling.”¹⁰² The Minister responded by claiming that the Assembly had not misled voters and had always intended to revisit the funding levels after evidence from pilot schemes had been considered.¹⁰³

⁹⁶ *The Rees Review*, February 2005.

⁹⁷ *Western Mail* 4 March, 2005.

⁹⁸ *Ibid.*

⁹⁹ *Western Mail* 19 January 2005.

¹⁰⁰ *Ibid.*

¹⁰¹ *Ibid.*

¹⁰² *Ibid.*

¹⁰³ *Western Mail*, 21 January 2005.

She also welcomed the report of the Chief Inspector of Schools, which said that standards had risen in Wales over the last five years. At the same time she acknowledged that certain areas, such as post-16 education needed further improvement, and committed the Government to a programme of continued progress.¹⁰⁴

Culture, Language and Sport

Speaking in Committee session in January about the merger of Assembly Sponsored Public Bodies (ASPBs), the Minister for Culture, Language and Sport, Alun Pugh, underlined his intention not to dictate artistic and linguistic policy in Wales.¹⁰⁵ Responding to member concerns about this move, the Minister argued that merging the Welsh Language Board would ensure the language was mainstreamed across all government departments. He also noted that the transfer of some responsibilities to the government could ensure better value for money than the present arms' length delivery. Despite the Minister's assurances, members remained concerned, suggesting that the committee would in future need greater time to scrutinise the Government's enhanced role in this area.¹⁰⁶

On 2 February, the Minister launched a new museum accreditation scheme. This gives clear guidance to museums on how to document and care for collections and on the information and services they should offer visitors.¹⁰⁷ It will be administered by CyMAL: Museums, Archives and Libraries Wales. The Minister has also announced an additional £325,00 for the National Museum to care for its collections and improve recreational and educational resources at the Museum of Welsh Life, St Fagans.¹⁰⁸

In a move that will break years of tradition, the Urdd Eisteddfod will not be held on an out-door maes this year but in Cardiff Bay. The festival will celebrate the re-location of the Urdd organisation to the Wales Millennium Centre and will be held between 30th May and 4th June in and around the Cardiff Bay area.

Environment and Rural Affairs

The importance of European relationships for agriculture and environmental policy were again emphasised in the first few months of the New Year. The Minister for Environment and Rural Affairs, Carwyn Jones, announced on 4 February, that the Assembly Government had signed a Charter with partners in the

¹⁰⁴ Assembly Press Release 3 January 2005.

¹⁰⁵ Committee Minutes, 26 January 2005.

¹⁰⁶ *Ibid.*

¹⁰⁷ Assembly Government Press Release 2 February 2005.

¹⁰⁸ Assembly Government Press Release 9 February 2005.

Network of European Regions on Genetically Modified Organisms.¹⁰⁹ The charter notes the growing concern of regions about the commercialisation of GM crops. It was signed during a special meeting of the network in Florence and presented to the European Commission. The Minister stated that the Assembly had significant input into the charter, which furthers the Assembly's commitment "to protect the country's conventional and organic agricultural industries."¹¹⁰

Mick Bates, Welsh Liberal Democrat AM, has accused the Assembly Government of sitting on £17 million in EU funding for farmers.¹¹¹ Since 2001 the Assembly Government has made deductions in direct EU payments to farmers, with the intention of spending the money on new agri-environment schemes. These schemes aim to fund conservation of areas of environmental importance on agricultural land. However, the money taken in deductions has not yet been spent by the Assembly Government, which had announced that the money would be spent on the agri-environment scheme Tir Cynnal. The National Farmers Union Cymru announced its dismay at the discovery claiming that it was "a tragedy this money has been taken from industry".¹¹²

Finance, Local Government and Public Services

Issues of funding and finance continued to dominate relations between Sue Essex, Minister for Finance and Local Government, and Welsh local authorities. In the most recent wrangling over budgets, the Minister wrote to all unitary and policy authorities to set out the limits beyond which their budgets for 2005-6 would be considered excessive.¹¹³ The Minister noted that whilst she remained "encouraged" that authority budgets will be "broadly in line" with her expectations, limits were necessary to minimise the effects of council tax revaluations and rebanding on council taxpayers.¹¹⁴

Despite reassurances that limits had been developed in close consultation with local authorities, the WLGA responded with "dismay" to the announcement.¹¹⁵ WLGA leader, Cllr Alex Aldridge, issued a press statement that noted the association's disappointment with the Minister's decision and urged the Assembly Government "to reflect" on this course of action "and its impact on central local relations."¹¹⁶

¹⁰⁹ Assembly Government Press Release 4 February 2005.

¹¹⁰ *Ibid.*

¹¹¹ *Western Mail*, 13 January 2005.

¹¹² *Ibid.*

¹¹³ Unitary Authority budgets will be considered excessive if increases are greater than 5.4% or exceed its % increase in Standard Spending Assessment (the mechanism used to distribute resources between local authorities) plus 0.4%. Policy authority budgets will be considered excessive if it represents a 5% overall increase or a council tax precept greater than 5%.

¹¹⁴ Cabinet Written Statement "Unitary and Police Authority Budgets 2005-6", 3 February 2005.

¹¹⁵ WLGA Press Release "WLGA Dismayed at Assembly Government Announcement" February 3rd 2005.

¹¹⁶ *Ibid.*

Consultation with local authorities over budgetary limits formerly ended on 17 February and budgets were submitted on 11 March. These will now be considered in line with these new limits. Ministers from all parties had an opportunity to debate this policy during plenary meetings in March.

Social Justice and Regeneration

Following the devolution of fire service powers to the Assembly in November, the Minister for Social Justice and Regeneration, Edwina Hart, presented the final version of the fire and rescue national framework to the social justice and regeneration committee at the end of February. Amendments to the draft framework were completed following detailed consultations with fire authorities and unions. The Minister stated, that the framework would continue to be a “living document” revised as necessary over the next 12 months.¹¹⁷

Further discussions have been held on the devolution of the Children and Family Court Advisory and Support Service (Cafcass) functions from Westminster to the National Assembly.¹¹⁸ The Minister welcomed the move as a

“... major devolution function” that will improve the effectiveness and transparency of the services in Wales.¹¹⁹

Members of the Social Justice and Regeneration Committee questioned whether the department for Social Justice and Regeneration had adequate staff and resources to deal with the additional responsibility. The Minister responded by noting that discussions with the Department Director and Permanent Secretary on this matter were ongoing.¹²⁰

¹¹⁷ Committee Minutes *Social Justice and Regeneration Committee*, 23 February 2005.

¹¹⁸ CAF/CASS - was set up on 1 April 2001. It is a national Non-Departmental Public Body for England and Wales. Its functions include providing advice to families and children involved in court proceedings and to guarantee the welfare of the children involved in such cases.

¹¹⁹ Committee Minutes *Social Justice and Regeneration Committee* 23 February 2005.

¹²⁰ *Ibid.*

5. THE LEGISLATIVE PROCESS

Sarah Beasley, Cardiff Law School

Draft Westminster Bills

Draft Children (Contact) and Adoption Bill

Published on 2 February 2005, this is a Bill to reform the laws governing child welfare when parents separate. It will also clarify the law on inter-country adoptions. The Bill does not devolve responsibility for this area to the Assembly, but does give it power to make regulations regarding the circumstances in which the Assembly may assist a person in paying the costs associated with a contact activity. There are also requirements in some clauses for the Secretary of State to consult the Assembly prior to undertaking his statutory powers. The Bill is currently being considered by the Joint Committee on the Draft Children (Contact) and Adoption Bill in Parliament.

Draft Commissioner for Older People Bill

This draft Bill, originally expected to be published in early 2005, would establish a new Commissioner for Older People, who would safeguard and promote the best interests of older people in Wales and the rest of the UK.

Draft Mental Health Bill

This draft Bill undertakes the biggest reform of mental health legislation since the 1950's, providing improved safeguards for patients and better procedures for treating those people with mental health problems who must be treated against their will to prevent them from self-harm. Published on 8 September 2004, and having already been the subject of evidence-taking at the National Assembly in December 2004, this Bill is has been considered by the Joint Committee on the Draft Mental Health Bill, which issued its report on 23 March 2005.¹²¹ In relation to the impact of the Bill on Wales, the main conclusion of the Joint Committee in their report was:

“...that the standard of mental health services in Wales must be at least as good as it is now in England before the provisions in the draft Bill can be implemented. Resources should be allocated in order to enable the service to be brought up to the English standard.”

¹²¹ HL Paper 79-I HC 95-I, Session 2004-05.

Progress of Westminster bills

Charities Bill

This Bill to modernise the law governing the voluntary sector, providing for a new definition of charitable work, includes provision for the Secretary of State for Wales to appoint the Charity Commissioner for Wales. The Bill proceeded to Committee stage in the House of Lords on 21 March 2005.

Clean Neighbourhoods and Environment Bill

This is a Bill to give local councils more powers to tackle problems such as fly-posting, noise pollution and abandoned vehicles. This Bill was remitted to the Assembly's Environment, Planning and Countryside Committee during the debate on the Queen's Speech on 1 December 2004. The Committee considered the Bill during its meeting on 12 January and in its report of 31 January stated that the Committee had taken the decision not to consider the Bill as it felt that it was too late in its parliamentary process to influence its content. The Committee did, however, note that the Assembly Local Government and Public Service Committee would need to monitor the effect of the Bill on local authorities' resources following its coming into force. It also resolved to consider the implementation of the provisions of the Bill once it has received Royal Assent.

Education Bill

Along with aiming to streamline the school inspection process and introduce a new three-year budgeting system to allow for forward finance planning, this Bill includes Wales-only provisions regarding the inspection of careers services, establishment of an advisory board and providing advice on the appointment of a Chief Inspector for Wales. The Bill was read for a second time in the House of Commons on 14 March 2005, and was also remitted to an Assembly subject committee as part of the Assembly debate on the Queen's speech in December 2004. The Assembly Education and Lifelong Learning Committee considered the Bill in its meeting of 19 January, and laid its report in the Table Office on 2 March 2005. The report noted the comments made by Members during the debate, but proposed no amendments to the Bill. In the report, the Assembly Minister 'undertook to keep the Committee informed of progress with the Bill, and the Chair stated that the Committee would have an opportunity to scrutinise secondary legislation arising from the Bill.'

Equality Bill

Introduced into Parliament on 2 March 2005, this Bill extends protection against discrimination to religious groups and merges existing rights organisations into a new Commission for Equality and Human Rights. It has since been remitted to the Assembly's Social Justice & Regeneration Committee, which has yet to consider it.

European Union Bill

This Bill provides for a referendum question on the new European Union constitution, expected to be held in early 2006. It includes provision for the referendum question on the EU constitution to be asked in Welsh in Welsh polling stations. The Bill had its second reading on 9 February 2005.

Identity Cards Bill

The Bill, which will introduce compulsory identity cards to tackle terrorism, asylum abuses and identity fraud, provides for the Assembly to decide whether the card should be a requirement for using devolved public services. The Bill had its second reading in the House of Lords on 21 March 2005.

Inquiries Bill

This Bill, which went through second reading in the Commons in 15 March, will alter the procedure for holding public inquiries, with the aim of making the reviews quicker and fairer for witnesses. The Bill empowers the Assembly to set up inquiries into devolved issues and to hold joint inquiries.

National Lotteries Bill

The Bill alters the system of applying for lottery grants and affords greater public input into the distribution of monies. The Bill, which had first reading in November 2004, has been remitted to the Assembly Culture, Welsh Language & Sport Committee for consideration. At its meeting on 26 January, the committee sought legal advice in relation to the Bill, and was informed that it was unlikely to proceed further before the forthcoming General election and that this could be problematic for Wales as a specific percentage of the new lottery fund would be coming to Wales. The final amount that would be received would be decided by the Secretary of State for Wales.¹²² Members expressed concerns about future Lottery funding in Wales, and the Committee resolved to discuss the matter at a future meeting for which a further paper would be provided by the secretariat.

Public Services Ombudsman (Wales) Bill

This Bill, which was included in the Assembly Government's annual primary legislation bid to Parliament for both 2003 and 2004, reforms the ombudsman service in Wales, merging three existing roles into one 'super ombudsman' for public services. The Welsh Affairs Committee reported on the Bill on 21 February of this year, and it has also been remitted to the Assembly's Local Government & Public Services Committee for consideration. Their report was laid on 21 February, and made a number of general comments:

“[The Committee] recommend that guidance is issued to clarify:

- the handling of cross border issues – it should be made clear whether, in the case of a complaint concerning a cross border service, the complainants home address or the address of where they received the service should determine which Ombudsman they approach;

¹²² Minutes of meeting of Culture, Welsh Language and Sport Committee, 26 January 2005

- the Ombudsman’s relationship with the Welsh Language Board and the Partnership Council;
- raising the profile of the Ombudsman. There should be clarification of the role of the Ombudsman and the type of investigations they can carry out; and
- the Ombudsman’s role in multi-agency investigations.”

Further comments made by the Committee on individual clauses:

“Schedule 1 – Public Services Ombudsman for Wales: Appointment etc.

Clause 1: We recommend that the Bill be amended to include a requirement for the

Secretary of State to recommend the appointment of the Ombudsman only after consulting the Assembly.

Clause 3: We recommend that the Bill be amended to make the Welsh Ombudsman’s

term of office 5 years with the ability for them to be re-appointed for a further 5 years.

Schedule 3 – Listed Authorities

We recommend that the Bill be amended to include the Board of Community Health Councils as a listed authority in Schedule 3.

Schedule 6 – Consequential amendments

We recommend that the Bill be amended to restore the ability of the English Local Government Ombudsman to transfer cases to the Public Services Ombudsman for Wales.”

Railways Bill

The Bill, which implements plans set out in the recent white paper to abolish the Strategic Rail Authority and transfer more powers to the Department of Transport, also provides for the transfer of further powers relating to train services to the Welsh Assembly Government. The Bill is currently at Committee stage in the House of Lords, and has been remitted to the Assembly Economic Development and Transport Committee. The Committee considered the Bill during its meeting on 13 January and reported on 31 January 2005. In the report, the Committee expressed its ‘disappointment that the timing of this piece of legislation’s passage through Westminster afforded so little time for scrutiny of the Bill by the Assembly in much detail, allowing for evidence to be taken only from Welsh Assembly Officials.’ The report went on to state that the overall view of the Committee was ‘that the Bill marked a major stage in the development of the Railways in Britain and provided an opportunity for a comprehensive transfer of powers over Welsh railways to the National Assembly.’

‘However, Members noted the substantial range of powers that it conferred on the Scottish Executive and were disappointed that the Secretary of State for Transport was retaining many of these powers in relation to Wales. A particular concern was the failure of the Bill to transfer to the National Assembly control over the infrastructure in Wales.’

The report also stated that although the timing did not permit the Committee to suggest fundamental changes to the Bill, there were two specific points which were felt could be changed:

- ‘Members were concerned about the lack of control Wales would have over closures where the Assembly was not funding the rail service. Clauses 22 to 31 refer to national authorities being notified of any closure proposal and then carrying out a consultation on this. However, while the Scottish Executive is the National Authority in Scotland, the Secretary of State for Transport would undertake this function in Wales. Members could not see any reason why the National Assembly should not have this responsibility in Wales and they considered the Bill should be amended accordingly.’
- ‘Members were also concerned about the confirming of bye-laws. The National Assembly already has extensive powers in this regard and the Committee could not see why it should not have the same powers as Scottish Ministers in relation to schedule 9. This could be achieved by amending Paragraph 1 of that schedule to include the National Assembly for Wales as the appropriate national authority for bye-laws relating to Welsh assets with similar provisions to those relating to Scotland in relation to cross-border bye-laws.’

Subsequently, the Committee Chair wrote to the Chair and members of the House of Commons Bill Committee on 14 January outlining the issues raised in Committee and expressing the wish that they recommend the changes to the Bill. As the Bill was so far advanced in its passage through Parliament, the Chair also sent copies of the letter to the Secretary of State and all Welsh MPs.

Road Safety Bill

This Bill, while giving police new powers to tackle drink driving and uninsured drivers, will also provide powers for the Assembly in relation to funding road safety projects and running re-training courses. It will also amend the Assembly's existing powers in relation to the Drink Driving Rehabilitation Scheme. This Bill was presented to the Lords on 9 March 2005.

School Transport Bill

This Bill was carried over from the previous parliamentary session, and allows local authorities to "provide innovative and safe school transport". It provides the Assembly powers with certain regulation and order making powers in relation to school transport in Wales. The Bill passed through the Lords Committee stage on 10 March 2005.

Transport (Wales) Bill

This Bill has also been included in two previous primary legislation bills by the Welsh Assembly Government. The Bill provides for the devolution of certain powers in relation to transport in Wales to the National Assembly. As part of the

Assembly debate on the Queen's speech, this Bill was remitted to the Assembly's Economic Development and Transport Committee for consideration. The Committee considered the Bill in its meeting of 13 January 2005 and published its report on 31 January. The report stated that the Committee had previously carried out joint pre-legislative scrutiny of the Draft Transport (Wales) Bill with the Welsh Affairs Committee¹²³ and reported to Plenary on this on 20 September 2004. The Committee noted that their key recommendations from this report had been accepted and Members were content with the detail of the Bill.

Primary Legislation proposals for 2005-6

On 16 March 2005, the Assembly held its annual debate on the bids for primary legislation¹²⁴ put forward by the Welsh Assembly Government for the 2005-6 Parliamentary session. These comprised six Bills – four of which formed part of the primary legislation bid for 2004-5, but which were unsuccessful¹²⁵.

Two Bills which have been the subject of previous bids by the Assembly are currently going through the relevant stages in the Houses of Parliament – these are the Public Services Ombudsman (Wales) Bill and the Transport (Wales) Bill. The Assembly Government proposal stated that should these Bills be unsuccessful in this parliamentary session, the Assembly Cabinet would press for their inclusion in the following session.

Strong support was also declared for the Commons Private Members Bill being taken forward by Julie Morgan MP in relation to smoking in public places in Wales. The Cabinet gave an undertaking that should this Bill fail to become law, they will press the Secretary of State on the issue of separate provisions for Wales in any forthcoming England and Wales Bill dealing with the matter. The Cabinet proposal¹²⁶, agreed by the Assembly, comprises the following Bills:

Government of Wales Bill

The Bill would abolish the “corporate body” status of the Assembly and establish a constitutional structure for Wales on traditional Whitehall/Westminster lines, creating a Welsh executive distinct from the Assembly but accountable to it. The Bill would implement changes to the Additional Member System of election to the Assembly to deal with unsatisfactory features of the present arrangements and would provide for enhanced legislative powers for the Assembly. There could be some limited financial implications for the Assembly arising from this Bill, these flowing both from splitting the Assembly into its executive and legislative

¹²³ This is discussed in greater detail in this article of June-September 2004.

¹²⁴ Provided for in Standing Order 33.11

¹²⁵ These were The Commissioner for Older People (Wales) Bill; the Housing (Suspension of Right to Buy) (Wales) Bill; the Local Government (Town and Community Councils) (Wales) Bill and the Tourism (Accommodation) Registration (Wales) Bill.

¹²⁶ As laid in the Table Office on 9 March 2005

components and from possible additional staffing requirements relating to the exercise of enhanced legislative powers.

Commissioner for Older People (Wales) Bill

The Bill would establish a new Commissioner, who would safeguard and promote the best interests of older people in Wales and would be enabled to assist older people to enforce their rights. The Assembly would be able to refer matters to the Commissioner for his/her consideration, but could not require the Commissioner to act on such referrals or limit his/her ability to act in relation to such referrals. The Commissioner would have a range of functions including to promote awareness of matters relating to the best interests of older people; to take such steps as he/she considered appropriate with a view to encouraging good practice in the treatment of older people; and to keep under review the adequacy and effectiveness of law and practice relating to the welfare of older people and the adequacy and effectiveness of services provided for older people by the relevant authorities. The Commissioner would be able to take on individual cases, and could support individuals in taking court action in certain circumstances. General powers would include discretion to undertake research, to issue and publish information and guidance, to conduct investigations and to make representations concerning the best interests of older people. The Bill would enable the Assembly to fund the Commissioner and the Commissioner's office. There would be likely to be an initial one-off cost of £0.5m to set up the office, and thereafter annual running costs of the order of £1.5m each year.

Housing (Suspension of Right to Buy) (Wales) Bill

The Bill would enable the National Assembly to designate areas of housing pressure where the Right to Buy (RTB) could be suspended. The Housing Act 1985 permits landlords disposing of properties in rural areas to impose a covenant limiting the freedom of the purchaser (and his successors in title) to re-sell the property. In 2003 the Assembly made an Order extending the list of rural areas where covenants on re-sale may be imposed. The Assembly has also used other secondary legislation powers to reduce the maximum discount allowed under the RTB to £16,000 in all parts of Wales. However, there is no provision in the Act allowing the RTB to be suspended in areas of 'housing pressure'. Primary legislation is therefore required to introduce a power of this nature. There would be no significant financial implications for the Assembly in this proposal. Where the RTB was suspended, landlords (mainly local authorities but also some registered social landlords) would not receive any sale receipts, but would continue to receive rents. Hence the financial outcome for them should be broadly neutral.

Local Government (Town and Community Councils) (Wales) Bill

The purpose of the Bill would be to enable local councils in Wales to deliver a wider range of services and actions locally, increase the effectiveness of their representational role and ability to work in partnership with other bodies, and enable the Welsh Assembly Government directly to fund local councils' activities. The Bill would among other things repeal the provision in the Local Government

Act in 1972 enabling community councils to be disbanded; provide a power enabling the Assembly to introduce an accreditation procedure for individual or groups of local councils (local councils would be required to meet certain minimum standards before taking on additional functions); provide powers to amend the list of functions on which local councils have a statutory right to be consulted; require principal authorities to review their community areas every four years and submit a report to the Assembly and to the Local Government Boundary Commission; and give local councils a new power to enable them to promote or improve the economic, social and environmental well-being of their areas.

There would be some limited financial implications for the Assembly from this Bill, the most significant of which would be the provision by the Assembly of direct grant assistance to councils. Local councils' increased service responsibilities would be undertaken with the agreement of, and funding from, their county or county borough councils. The increased localisation of service provision should result in an increase in the range and quality of local services.

Tourism Accommodation (Registration) (Wales) Bill

The Bill would, by amending or repealing part or all of Section 17 of the Development of Tourism Act 1969, create a new enabling power for the Assembly to establish a tourist accommodation registration scheme in Wales. It would also include the power to make subordinate legislation setting out the basis upon which accommodation is to be registered. Accommodation registered under the scheme would be subject to periodic inspection. The registration and inspection arrangements would be designed to ensure that minimum standards in the provision of tourist accommodation are met and maintained. The scheme can be designed to be self-financing, but there may be start up costs. Detailed decisions on these issues will be for consideration by the Assembly Government in drawing up subordinate legislation once the primary legislation is in place.

Welsh Language Schemes Regulator (Wales) Bill

The Bill would establish a Dyfarnydd or regulator to take over certain functions relating to the regulation of Welsh Language Schemes under the Welsh Language Act 1993. Regulatory and adjudicatory functions under the Act are currently split between the Welsh Language Board and the National Assembly for Wales (delegated to the Welsh Assembly Government). The Assembly Government has announced its intention to merge the Welsh Language Board with the Assembly Government by 1 April 2007. This will mean that regulatory and adjudicatory functions contained in the Welsh Language Act 1993 will rest with the same body – the Assembly Government. In order to provide a balance and to maintain a voice which is independent of Government, the Assembly Government wishes, following the merger, to establish an independent office of Dyfarnydd. Work is in hand to define the precise role of the Dyfarnydd, and the office's interaction with the Assembly Government.

It is likely that the Bill would place a duty on the Assembly to fund the Dyfarnydd and the office of the Dyfarnydd. As the exact role of the Dyfarnydd is yet to be

defined, it is too early to be able to provide estimates of costs. However, it is expected that the Dyfarnydd will have a small office to provide administrative support, and costs are likely to be modest.”

Standing Order 31 - The subordinate legislation ballot

Standing Order 31 ‘provides for the Presiding Officer to hold a ballot from time to time to select, at random, the name of a Member, other than a Minister, who is then able to table a motion instructing the relevant Assembly Minister to bring forward draft subordinate legislation on a topic of their choice.’ On 1 February 2005, the Assembly considered a motion brought forward by Gwenda Thomas AM, proposing that the National Assembly for Wales:

“1. Instructs the Minister for Social Justice and Regeneration to bring forward draft subordinate legislation under sections 210(2)(b) and 215(2) of the Housing Act 1996 to provide that in determining whether it would be reasonable for a vulnerable person to occupy accommodation and in determining whether accommodation is suitable for a vulnerable person, there shall be taken into account the following matters:

a) the specific health needs of the vulnerable person; b) the proximity and accessibility of social services; c) the proximity and accessibility of family support or other support services; d) the particular disability of the vulnerable person.

2. Agrees that the definition of a "vulnerable person" shall include:

a) pregnant women; b) single parents (whether male or female); c) young persons leaving care; d) disabled young adults; e) children with disabilities; along with other relevant factors.

The purpose of the motion is to try to ensure the introduction of legislation that will compel local authorities to make a reasonable offer of housing to vulnerable people.” Having been debated by the Assembly, the motion was carried and the Minister for Social Justice gave an undertaking to prepare the appropriate subordinate legislation.

Amendments to the Assembly’s Standing Orders:

Any amendments to the Assembly’s standing orders require a 2/3rds majority of the Members voting to support the changes. There have been three recent tranches of standing order changes introduced by the Business Committee for approval in plenary. All have been adopted:

- i. **22 February 2005** – these revisions took immediate effect, except for those to Standing Order 10, which shall take effect from 20 March 2005:

- **Standing Orders 6.6 and 8.19 - Remitting Bills to Committees**
This amendment provides for Bills to be remitted to, and considered by, committees other than subject committees; and for the Equality of Opportunity Committee, the European and External Affairs Committee and additional committees established under Standing Order 8.1, to hold formal joint meetings with the House of Commons Welsh Affairs Committee.

- **Standing Order 6.12 - Order of Business**
This amendment provided for elections and appointments to be taken as the first item of business in plenary. It was agreed to amend Standing Order 6.12 to remove the distinction between elections and appointments thus allowing them to be taken as the first item of business.

- **Standing Order 6.14, 24.18 and new 6.13A**
This amendment provides for future revisions to the guidance on motions and amendments to be made by the Presiding Officer after consulting the Business Committee.

- **Standing Order 10 - Regional Committees**
Amendments provide for Regional Committee boundaries would be coterminous with those of the Assembly's electoral regions. This would mean that dual membership of Regional Committees would no longer occur.

- **Standing Order 18A - Committee for the Scrutiny of the First Minister**
This amendment establishes a Committee to scrutinise the First Minister. The Committee's membership will comprise subject committee Chairs, the Chair of Audit Committee, the Chair of the Equality of Opportunity Committee and the Chair of the European and External Affairs Committee. It will be chaired by the Chair of Audit Committee and will meet in public once every 16 weeks that the Assembly meets in Plenary, that is twice a year.

- **Standing Order 31 - Proposals Made By Assembly Members For Subordinate Legislation**
These amendments will mean that, in the first instance, the Member who wins the ballot will bring forward a motion to approve the principle of his/her proposed legislation. If the initial motion is approved, a Minister will produce a report on the feasibility of the proposals along with a recommendation. A debate on a second motion, on whether legislation should be brought forward to give effect to the proposals, will then be debated in Plenary. The Business Committee has agreed that there should be at least 24 ballots during the course of an Assembly.

ii. **2 March 2005** – these revisions took immediate effect.

- **Standing Order 16 – Committee on Standards of Conduct**

These amendments were prepared following a recommendation by the Committee on Standards of Conduct. The main purpose of the amendments was, inter alia, to replace the Independent Advisor with a ‘Commissioner for Standards’, whose role will be to:

- to investigate factual matters arising out of any complaint against a Member;
- to advise the Committee on any matters of general principle relating to the standards of conduct of Members;
- to advise the Committee on any matters of general principle relating to the Registration of Members' Interests; and
- otherwise render such assistance on matters relating to the standards of conduct of Members as the Assembly may from time to time decide.

iii. **9 March 2005** – these revisions took immediate effect:

- **Standing Order 3.2**

This standing order relates to offices for which an Assembly Member may receive an additional salary. This amendment provides for the Chair of the Audit Committee to be an office holder who may receive a higher level of salary, bringing that post in line with the Presiding Officer, the Deputy, the First Minister, other Ministers, the leader of the largest political group in the Assembly which is not represented in the Assembly Cabinet and Chairs of Subject Committees.

Subordinate Legislation produced by the National Assembly

January 2005:

- The Education (Information About Individual Pupils) (Wales) (Amendment) Regulations 2005
- The General Teaching Council for Wales (Additional Functions) Order 2005
- The General Teaching Council for Wales (Additional Functions) (Amendment) Order 2005
- The Plant Health (Amendment) (Wales) Order 2005
- The Public Audit (Wales) Act 2004 (Commencement No. 1) Order 2005
- The General Teaching Council for Wales (Functions) (Amendment) Regulations 2005
- The Housing Revenue Account Subsidy (Wales) Determination 2005- 06
- The (Wales) General Determination of the Item 8 Credit and Item 8 Debit 2005-2006
- The Welsh Local Flood Defence Scheme 1996 (Revocation) Order 2005
- The Day Care (Application to Schools) (Wales) Regulations 2005

February 2005:

- The Plastic Materials and Articles in Contact with Food (Amendment) (Wales) Regulations 2005
- The Council Tax (Alteration of Lists and Appeals) (Amendment) (Wales) Regulations 2005
- The National Health Service (Performers Lists) (Wales) (Amendment) Regulations 2005
- The Miscellaneous Food Additives (Amendment) (Wales) Regulations 2005
- The Horse Passports (Wales) Regulations 2005
- The Non-Domestic Rating (Demand Notices) (Wales) (Amendment) Regulations 2005
- The Local Health Board Medical Services Directions 2005
- The Pesticides (Maximum Residue Levels in Crops, Food and Feeding Stuffs) (England and Wales) (Amendment) Regulations 2005
- The Contaminants in Food (Wales) Regulations 2005
- The Town and Country Planning (Blight Provisions) (Wales) Order 2005
- The National Health Service (General Medical Services Contracts) (Prescription of Drugs Etc.) (Wales) (Amendment) Regulations 2005
- The Food Safety (General Food Hygiene) (Amendment) (Wales) Regulations 2005
- The Care Standards Act 2000 (Commencement No. 21) Order 2005
- The Town and Country Planning (Costs of Inquiries etc.) (Standard Daily Amount) (Wales) Regulations 2005
- The Common Agricultural Policy Single Payment and Support Schemes (Wales) Regulations 2005
- The Accounts And Audit (Wales) Regulations 2005

March 2005:

- The Care Standards Act 2000 (Relevant Registers of Social Workers) Regulations 2005
- The Education Development Plans (Wales) (Amendment) Regulations 2005
- The Smoke Control Areas (Exempted Fireplaces) (Wales) Order 2005
- The Health and Social Care (Community Health and Standards) Act 2003 (Healthcare Inspections) (Wales) Regulations 2005
- The Countryside and Rights of Way Act 2000 (Commencement No. 6) (Wales) Order 2005
- The National Health Service (Charges for Drugs and Appliances) (Wales) (Amendment) Regulations 2005.
- The Central Rating List (Wales) Regulations 2005
- The Public Audit (Wales) Act 2004 (Commencement No. 2 and Transitional Provisions and Savings) Order 2005
- The Products of Animal Origin (Third Country Imports) (Wales) Regulations 2005
- The Diseases of Animals (Approved Disinfectants) (Amendment) (Wales) Order 2005
- The Salmonella in Laying Flocks (Survey Powers) (Wales) Regulations 2005

- The Community Health Councils (Amendment) Regulations 2005
- The Dairy Produce Quotas (Wales) Regulations 2005
- The National Assistance (Assessment of Resources) (Amendment) (Wales) Regulations 2005
- The National Assistance (Sums for Personal Requirements) (Wales) Regulations 2005
- The Local Government (Best Value Performance Indicators) (Wales) Order 2005
- The Local Government (Best Value Performance Indicators) (Wales) (Revocation) Order 2005
- The Radioactive Substances (National Security)(Wales) Directions 2005
- The Local Government Finance (Wales) Special Grant Report No 6 (Wales) 2004
- The Public Audit (Wales) Act 2004 (Commencement No. 2 and Transitional Provisions and Savings) Order 2005
- The Products of Animal Origin (Third Country Imports) (Wales) Regulations 2005
- The Diseases of Animals (Approved Disinfectants) (Amendment) (Wales) Order 2005
- The Salmonella in Laying Flocks (Survey Powers) (Wales) Regulations 2005
- The Community Health Councils (Amendment) Regulations 2005
- The Dairy Produce Quotas (Wales) Regulations 2005
- National Assistance (Assessment of Resources) (Amendment) (Wales) Regulations 2005
- The National Assistance (Sums for Personal Requirements) (Wales) Regulations 2005
- The Local Government (Best Value Performance Indicators) (Wales) Order 2005
- The Local Government Best Value Performance Indicators) (Wales) Order 2002 (Revocation) Order 2005
- The Radioactive Substances (National Security)(Wales) Directions 2005
- The Local Government Finance (Wales) Special Grant Report No 6 (Wales) 2004
- Income Generation Powers of Special Health Authorities Directions 2005
- The Children Act 2004 (Amendment of Miscellaneous Regulations) (Wales) Regulations 2005
- The Children Act 2004 (Commencement No. 2) Order 2005
- The CAF/CASS (Staff, Property, Rights and Liabilities Transfer Scheme) Order 2005
- The Council Tax (Situation and Valuation of Dwellings) (Wales) (Amendment) Regulations 2005
- The Council Tax (Reductions for Disabilities and Transitional Arrangements) (Wales) (Amendment) Regulations 2005
- The Public Audit (Wales) Act 2004 (Consequential Amendments) (Wales) Order 2005
- The Public Audit (Wales) Act 2004 (Consequential Amendments) (Wales) Regulations 2005
- The Non-Domestic Rating (Alteration of Lists and Appeals) (Wales) Regulations 2005
- The Fire and Rescue Services (National Framework) (Wales) Order 2005

Orders to be made by the Secretary of State

The following are orders which the Assembly has agreed be made by the Secretary of State. The applicability of these orders in Wales is subject to the consent of the National Assembly for Wales:

- The Public Audit (Wales) Act 2004 (Transfer of Property, Rights and Liabilities of the Audit Commission for Local Authorities and the National Health Service in England and Wales) Order 2005.
- The Public Audit (Wales) Act 2004 (Transfer of Property, Rights and Liabilities of the Comptroller and Auditor General) Order 2005.
- The Regulatory Reform (National Health Service Charitable and Non-Charitable Trust Accounts and Audit) Order 2005.

First Minister Delegations

The following are functions which have been delegated by the Assembly to the First Minister:

January 2005:

The Civil Contingencies Act 2004:

All the functions of the National Assembly contained in and under the Civil Contingencies Act 2004, save those which by law cannot be so delegated.

The Housing Act 2004:

Sections 3, 9(1), (2) & (3), 58, 82, 182, 188, 212(1), (4), (5) & (6), 218, 226(1), 245, 253, Schedule 9, paragraph 4, schedule 10 (save for the power to make subordinate legislation), Schedule 11, paragraphs 13, 15, 18, 19, 21, 22, 23, 24, 25 & 26.

February 2005:

The Fire and Rescue Services Act 2004:

Sections 10, 13, 14, 17, 23, 25-28, 29(1)-(3) and (5), 31, 33, 39, 42(5) and 50.

The National Assembly for Wales (Transfer of Functions) Order 2004 (S.I. 2004 No. 3044:

All functions save those which by law cannot be so delegated.

March 2005:

The Children Act 2004:

Sections 25 subsections (8) and (9), 26 subsection (5), 27 subsection (4), 28 subsections (4) and (5), 29 subsections (1)(b), (9), (13) and (14), 30, 34 subsection (2) and (3), 35 subsection (1) and (2), 36 subsection (1) - (7), 37 subsection (1), 38, 39 subsection (2) and (3), 41 and 59.

6.RELATIONS WITH LOCAL GOVERNMENT

Nia Seaton, IWA

Call for Greater Local Government Co-operation

In an interview with epolitix.com, the independent politics website, Welsh Liberal Democrat leader Michael German declared that co-operation between Welsh local authorities was “lamentable”.¹²⁷ His remarks were made in response to the Chief-Inspector of Social Services report that criticised disabled children services in Newport. He argued that some Welsh unitary authorities were “too small to do their job.”¹²⁸ He urged greater co-operation between authorities and the development of cross-border services to overcome this problem.¹²⁹ Dr Brian Gibbons, Minister for Health and Social Services, responded to the report by calling upon Newport to improve its services for disabled children and welcomed the introduction of an improvement action plan by the authority.¹³⁰

Golden Goodbyes

In February the *Western Mail* revealed that £1.6 million of taxpayer’s money had been spent on “Golden Goodbyes” for local councillors.¹³¹ A public services award was launched in 2003 that encouraged councillors to retire after 16 years by allowing them to claim up to £20,000 in total, or £1,000 per year of service in the council, upon retirement.¹³² The measure was particularly controversial at the time of its launch and has continued to attract criticism. The Conservative party, in particular, criticised the policy for being a “gimmick pledge” aimed at winning votes in an election campaign.¹³³

‘Over Government’

In February Cllr Alex Aldridge, Leader of the Welsh Local Government Association, claimed that devolution has burdened the people of Wales with “too much government.”¹³⁴ His claim followed a similar statement by Pat Watters, President of the Convention of Scottish Local Authorities, that devolution had

¹²⁷ www.epolitix.com 25 February 2005

¹²⁸ *Ibid*

¹²⁹ *Ibid.*

¹³⁰ Assembly Government Press Release, 25 February 2005.

¹³¹ *Western Mail*, 15 February 2005.

¹³² *Ibid.*

¹³³ *Welsh Conservative Party* Press Release 8 February 2005.

¹³⁴ www.epolitix.com 1 February 2005

“produced too much government” in Scotland.¹³⁵ Mr Watters was particularly concerned by plans to introduce proportional representation into local elections north of the border. Cllr Aldridge said he agreed with the sentiments of his Scottish counterpart and believed that fewer levels of government would bring better quality services to Wales.¹³⁶

Value For Money

Spending levels per head for local authorities in Wales were revealed in February.¹³⁷ The figures, show that Merthyr Tydfil CBC spends the most at £1,838 per person, and Monmouthshire (£1,353 per head) the least.¹³⁸ However, after comparing the amount spent with the amount raised in council taxes, it appears that people in Newport receive best value for money. The figures also revealed that local authorities spend most of their budget on education services.¹³⁹ Members of the Welsh Local Government Association criticised the publication of the figures for making unrealistic like-for-like comparisons between authorities. The association argued that factors such as the range and quality of services provided, geographic and demographic characteristics should also be considered.

Failure to Collect Council Tax

The Local Government Data Unit, a body sponsored by the Assembly Government and the WLGA, reported that £29.968 million in council taxes out of a possible £715 million due, had not been collected by councils during 2003-04.¹⁴⁰ Merthyr Tydfil, Newport, Blaenau Gwent, Cardiff and Caerphilly were the worst offenders.¹⁴¹ This failure was largely due to problems with software that had delayed the processing of benefit claims. Authorities claim that improvements made to collection systems will ensure higher rates of collection for the current financial year.

¹³⁵ *Ibid.*

¹³⁶ *Ibid.*

¹³⁷ *Western Mail* 10 February 2005

¹³⁸ *Ibid.*

¹³⁹ *Ibid.*

¹⁴⁰ *Western Mail* 18 January 2005

¹⁴¹ *Ibid.*

7. RELATIONS WITH WESTMINSTER AND WHITEHALL

Nia Seaton, IWA

Railways Bill

The Railways Bill, expected to make its passage through Parliament before the general election, will give control over the funding and maintenance of Welsh rail networks to the Assembly Government. Announced as part of the Queen's speech, the Bill was welcomed by the Assembly Government as an important step in the creation of an integrated transport strategy.

However, Simon Thomas, Plaid Cymru MP, criticised the bill for allowing the Secretary of State for Transport to retain the right to close stations and railway lines. In an interview with the *Western Mail*, the MP claimed that the Bill will allow Westminster to close rural services in West Wales without having to face the political consequences likely to be felt by an Assembly making such a decision.¹⁴² The MP has also questioned whether funding for transport received through the Barnett formula will be enough to allow the Assembly to carry out the maintenance functions delegated to it under the Bill.¹⁴³ Welsh Liberal Democrats have also criticised the Bill for giving greater powers to the Scottish Executive than the Assembly Government. Welsh Liberal Democrat AM Jenny Randerson condemned the Bill "as second class devolution for Wales."¹⁴⁴

The Scottish Parliament will receive a full transfer of powers under the new Bill and receive £325 million to enable the executive to take over the functions.¹⁴⁵ Indeed, the Scottish First Minister, has hailed the move as "the most significant devolution of powers to Scottish ministers since 1999." Westminster Government spokespeople claimed that Scottish rail operates in Scotland only, whereas Welsh networks operate a number of cross border services.¹⁴⁶ The Westminster Government also denied that the transfer of responsibilities would create uncertainty over funding for Welsh rural rail services.

Private Member's Smoking Bill

Julie Morgan, MP for Cardiff North, will attempt to introduce a private members bill to allow the Assembly to implement a full ban on smoking in enclosed public and work places.¹⁴⁷ The Assembly voted in favour of supporting such a ban but lacks the powers to introduce such a measure.

¹⁴² *Western Mail* 17 February 2005.

¹⁴³ *Ibid.*

¹⁴⁴ *Liberal Democrat* Press Release 9 February 2005.

¹⁴⁵ www.bbc.co.uk/news 18 January 2005.

¹⁴⁶ *Western Mail* 17 February 2005.

¹⁴⁷ www.bbc.co.uk/wales 12 January 2005.

The UK Government has announced plans to ban smoking in places serving food but will not adopt a blanket ban of the kind introduced in Ireland. The MP's Bill has gained support from the British Medical Association, Action on Smoking and Health and the British Heart Foundation.¹⁴⁸ Kirsty Williams, Liberal Democrat Assembly spokesperson on health, has called on Peter Hain, Secretary of State for Wales and Leader of the House of Commons, to guarantee that the bill is given parliamentary time.¹⁴⁹

St Athan Dara Controversy

In December of last year Adam Ingram, the Minister for the Armed Forces, caused controversy by announcing the withdrawing of Tornado contracts from the Welsh based Defence and Repair Agency (Dara) at St Athan.¹⁵⁰ The decision resulted in the loss of 500 jobs at the site and placed a question mark over its future. Further uncertainty has now been caused by the discovery that the Government are considering selling parts of Dara to private firms. It was revealed that American investment bank, Morgan Stanley, had been commissioned to conduct three months of market testing aimed at locating potential buyers for the agency.¹⁵¹ The Government claimed that this research does not indicate that the Government has made a decision over the future of Dara.¹⁵²

It was also revealed that the work withdrawn from the St Athan site and returned to RAF Cottesmore in England has resulted in a 1,700 per cent increase in costs. The Bill for Harrier Jet repairs has rocketed to £1.7 million, from the £570, 000 it cost to complete the work at St Athan.¹⁵³ Vale of Glamorgan MP, John Smith, who strongly criticised the original move was outraged by the discovery of the rise in costs. In an interview with the *Western Mail*, the MP stated the rise in costs demonstrated that the Government had made the wrong decision.¹⁵⁴ He claimed that the decision had failed to benefit taxpayers or the people of St Athan in any way.¹⁵⁵

¹⁴⁸ *Ibid.*

¹⁴⁹ *Ibid.*

¹⁵⁰ Dara is a civilian arm of the Ministry of Defence set up to run as a commercial enterprise and so reduce the costs of maintaining British military aircraft.

¹⁵¹ www.bbc.co.uk/news 22 February 2005.

¹⁵² *Ibid.*

¹⁵³ *Western Mail*, 4 March 2005.

¹⁵⁴ *Ibid.*

¹⁵⁵ *Ibid.*

8. RELATIONS WITH EUROPE

Nia Seaton, IWA

Future of Objective 1 and Structural Funds

Over the past three months future levels of European aid have dominated policy discussions. They are also likely to continue do so as the deadline for post-2006 funding approaches in June of this year. While Objective One funding for west Wales and the Valleys passed the £1bn mark in February, continued uncertainty over the next seven year round of funding has led to sustained lobbying of the Assembly Government.

Recent figures published by Eurostat, the European office of statistics, revealed that parts of west Wales and the Valleys continue to have income levels totalling less than 75 per cent of the EU average.¹⁵⁶ They are, therefore, entitled to the highest level of EU aid for the next seven years. However, the UK government has not yet come to a decision on the level of match funding it will commit and looks likely to support a scheme that will see aid distribution decided by member states and not via the structural fund.

Plaid Cymru MP, Adam Price argued that a decision such as this could see Wales lose out on significant amounts of money. The party has launched a campaign to fight the changes in European aid and has asked Welsh Labour MPs to join a cross-party effort to lobby the government for a further £1bn for the next seven years of funding.¹⁵⁷ Plaid also accused the Westminster Government of delaying a decision on funding so as to support a move by other European countries to reduce the percentage of the EU budget devoted to regional aid from 1.24 per cent to 1 per cent of the budget.¹⁵⁸ Plaid Cymru argue that even a reduction as small as this could significantly reduce the levels of aid received in Objective One areas.

The Welsh Liberal Democrats have joined Plaid's calls for the Treasury to match European funding and congratulated the European Commissioner, Peter Mandelson, for his lobbying of the Treasury stating:

“We live in a strange world where Peter Mandelson is proving to be a more effective voice for Wales's interests than our own First Minister.”¹⁵⁹

Eluned Morgan, Labour MEP also voiced concerns that Wales “will lose out” if the June deadline is missed, and has stressed to the government “the importance” of an early settlement for Wales.¹⁶⁰ Responding to criticism, First Minister, Rhodri Morgan, stated that negotiations over the funding settlement, in which he has stressed the important benefits of a generous settlement for Wales, were ongoing

¹⁵⁶ *Western Mail* 26 January 2005.

¹⁵⁷ *Western Mail* 8 February 2005.

¹⁵⁸ *Western Mail* 28 February 2005.

¹⁵⁹ *Liberal Democrat* Press Release 2 February 2005.

¹⁶⁰ *Western Mail* 28 February 2005.

with the Treasury.¹⁶¹ The Labour party have also accused Plaid Cymru of resorting to ‘scaremongering’ tactics in a bid to win support ahead of the General Election.

Power Struggles in Europe

A study completed by the universities of Manchester, Glasgow and Edinburgh has concluded that the European Union is likely to be the source of power struggles between the devolved institutions and Westminster over policy. The study claims that since their inception the devolved institutions in Wales and Scotland have been able to win significant concessions from the European Union particularly in rural and farming policy.¹⁶² The study claims, that the development of a clear sense of priorities by the Welsh and Scottish Governments has allowed the institutions to target their lobbying resources at key areas.¹⁶³ Professor Martin Burch of Manchester University, argues that these power struggles are likely to be most visible when different parties are elected to the different bodies.¹⁶⁴

Europe’s Constitution

The Assembly Government has also welcomed the constitution for the recognition it gives to small nations/regions within larger member states. Speaking in Plenary, the First Minister urged the National Assembly to support a treaty that will bring new rights for Wales. The treaty on the new constitution was signed by member states in October 2004 and is in the process of being ratified by the individual member states. The UK government will ratify any treaty by introducing a Bill to Parliament and holding a UK-wide referendum to endorse the decision. This is expected to occur within the next 12 months. It was also announced by the Assembly Government that the treaty on the European Constitution would be available in Welsh, the first European treaty to be available in the language.

¹⁶¹ Assembly Record, 22 February 2005

¹⁶² www.epolitix.com 9 February 2005

¹⁶³ Ibid

¹⁶⁴ Ibid.

9. POLITICAL PARTIES

Nia Seaton and Gruffydd Jones, IWA

With a Westminster general election predicted for May 2005 battle-lines were being drawn for a prolonged bout of electioneering. All political parties held Welsh spring conferences, with the Assembly Government's health policy widely seen as one of the main election issues in Wales.

Welsh Labour

In February Jessica Morden, current General Secretary of Welsh Labour, was chosen as the candidate for the safe seat of Newport East. Following Blaenau Gwent in November 2004, the Newport East constituency was required to choose from an all-woman short-list. The seat was vacated after the announcement of retirement by sitting MP Alan Howarth, who bequeaths a majority of 9,874 from the 2001 election.

Following on from his objection to the selection of the candidate for Blaenau Gwent, AM Peter Law continued his attack on all-women short lists and on the chosen candidate. He said

“Here is another example of a constituency being forced to select a candidate by means of an undemocratic all-women short list. My understanding is that members of the Newport East party decided they wanted to have an open selection, but were overruled by the Welsh executive. Jessica Morden has been one of the main movers in the campaign to impose all-women shortlists, and now she is trying to benefit from the policy herself.”¹⁶⁵

However, the choice was welcomed by the city's other MP, Paul Flynn, who said that:

“It's marvellous to have someone of her generation coming into the parliamentary party from Wales, and I know she will be a breath of fresh air.”¹⁶⁶

Voices of dissent at New Labour's central party structure were also heard among the party's grassroots with the launch of Welsh Labour Grassroots organisation. The network is seeking to promote a 'clear red water' agenda based on what it defines as “a democratic socialist agenda built on Welsh popular traditions of social solidarity.”¹⁶⁷ David Morris, Chair of Welsh Labour Grassroots, argues that the network is necessary to offer a countervailing pressure to Westminster within the party and to open up channels of genuine debate in the party's internal

¹⁶⁵ *Western Mail*, 23 December 2004

¹⁶⁶ *Western Mail*, 21 February 2005

¹⁶⁷ David Morris, *Agenda* Spring 2005, IWA, forthcoming.

structure.¹⁶⁸ He claims support for the network reflects the number of Welsh Labour activists who “oppose the Blair agenda” but “don’t know how they fit it,”¹⁶⁹ adding that the network will strengthen rather than weaken the Welsh Labour party by offering disengaged party members a “positive reason for staying in the party.”¹⁷⁰

Plaid Cymru

Plaid President Dafydd Iwan announced an 11-member leadership team in January. They include leading AM’s MP’s and MEP Jill Evans who will be responsible for the parties International and European portfolio. John Dixon will chair the team and Dafydd Iwan himself will be responsible for housing matters. Elfyn Llwyd the parties parliamentary leader will have responsibility for Home Affairs and Welsh language issues while the parties Assembly leader Ieuan Wyn Jones will be responsible for Constitutional affairs.¹⁷¹

Plaid Cymru MP Adam Price, gained further publicity for his campaign to impeach Blair when he was ordered to leave the chamber by the speaker of the Commons. The Plaid MP told MP’s during debate that the Prime Minister had ‘misled’ Parliament over the Iraq war, thus breaking the Parliamentary rule that forbids MP’s from accusing other members of lying in the chamber. The Plaid MP refused to withdraw his remarks and was therefore asked to leave.

Ahead of the General Election’ Plaid Cymru launched a pledge card for its campaign. This offers twenty commitments in a ‘peoples contract’ and promises to hold those in power to account. The party has been realistic about its chances for electoral success aiming to add just one seat, Ynys Mon, to the four it currently holds.

Welsh Conservatives

During a St David’s Day lecture to the Welsh Governance Centre at Cardiff University, the leader of Welsh Conservatives Nick Bourne laid out his party’s position on the findings of the Richard Commission.¹⁷² While he would prefer to see a legislative parliament members of his party have varied opinions in their support of the Commissions findings. Results of the party’s own consultation on the Commission report revealed that the party was in favour of a ‘preferendum’ with the people of Wales deciding upon the future of the Assembly from a number

¹⁶⁸ *Ibid.*

¹⁶⁹ David Morris, *Agenda* Spring 2005.

¹⁷⁰ *Ibid.*

¹⁷¹ Plaid Cymru Press Release 13January 2005.

¹⁷² Nick Bourne, *Welsh Conservatism: A Chance To Shine*, Welsh Governance Centre Lecture 9 March 2005.

of options.¹⁷³ The results also revealed that the party was in favour of a division between the executive and legislature in the Assembly but against an increase in the number of AMs.¹⁷⁴

While Mr Bourne argued that only a minority opposed the findings of the Richard Commission a key personality in that minority was the Shadow Secretary of State, Bill Wiggin. In contrast to Nick Bourne's sentiments Bill Wiggin stated that he would campaign to abolish the Assembly in if a 'referendum' on the powers of the Assembly was held. Speaking on S4C's *Manifesto*, he cited problems with the NHS in Wales as one of the main reasons for abolishing the institution.¹⁷⁵

Welsh Liberal Democrats

President of the Liberal Democrats, Simon Hughes, called upon members in Wales to embark upon a "crusade" to win parliamentary seats during the parties spring conference at Cardiff University.¹⁷⁶ Mr Hughes set the Welsh party a target of winning half of the parliamentary seats in Wales by 2020. The party's short-term target will be to double the number of Welsh Liberal Democrat MP's at the next election from two to four. The Cardiff Central seat of Jon Owen Jones is at the top of the parties list to target as it seeks to build upon the local election success it had in Cardiff.

¹⁷³ Welsh Conservative Party *Press Release* 30th November 2004

¹⁷⁴ *Ibid.*

¹⁷⁵ *Manifesto*, S4C, 23rd January 2005

¹⁷⁶ *Western Mail* 14th March 2005

10. PUBLIC ATTITUDES

Nia Seaton, IWA

A BBC poll, conducted by the research group ICM in February 2005, discovered that 61 per cent of Welsh people are in favour of the Assembly being given full law making powers, with 34 per cent opposing the move. Fifty per cent also said they believed that the Assembly has most influence over Welsh life as compared to the 23 per cent who thought the UK Government was the most influential. When asked who should have most influence over Wales, only 35 per cent of respondents supported the National Assembly. This however, was still greater than the 30 per cent who said Westminster should have greatest influence.

Further Law Making Powers

In Favour	61
Against	34
Don't Know	5

Source: ICM BBC Welsh Poll February 2005

The poll also demonstrated that concern over the state of the Welsh Health Service will be the dominant issues of the general election campaign. Asked what Welsh issues concerned them most 26 per cent of respondents said the health service while 6 per cent were most concerned about law and order, followed by a further 5 per cent concerned with education funding.

Despite strong signs of support for further devolution there was no room for complacency by the Welsh Assembly Government with only 31 per cent believing that the way Wales is governed had improved since 1999 and 43 per cent believing that there had been little difference. There was also little support for the Assembly to be given tax-raising powers with 52 per cent opposing the idea and only 43 per cent in favour.

Tax-Raising Powers

In Favour	43
Against	52
Don't Know	5

Source: ICM BBC Welsh Poll February 2005

Assembly opposition parties argue the poll demonstrates that the current devolution settlement is “unsatisfactory” with Plaid Cymru calling on Rhodri Morgan to get behind the people of Wales. However, Labour Cardiff West MP, Kevin Brennan claimed that the poll results showed that Labour’s “evolutionary” approach to devolution is inline with the desires of the people of Wales.

11. PRESS AND THE MEDIA

Nia Seaton, IWA

Future of S4C

The viability of S4C continued to concern the Welsh media sector. Ofcom recommendations for the future of the channel after the switch to digital programming have continued to spark protest.¹⁷⁷ Ofcom favours S4C becoming a Public Service Publisher which would result in the part privatisation of the channel, according Plaid Cymru's President Dafydd Iwan:

“It is ironic that at time when other countries like Ireland Scotland and Brittany are emulating the S4C model in their own minority language broadcasting, the Government are considering scrapping something that has been very successful in Wales.”¹⁷⁸

Cymdeithas yr Iaith, which was instrumental in campaigning for the channel in the 1970s and 1980s have also noted their concern, arguing that the channel should be safeguarded at all costs.¹⁷⁹ S4C have said that they would prefer to see a future model that would mean it become a part privatised channel with some continued support from the Government. In their response to the proposals S4C stated that

“... it does not believe it would be appropriate for the whole of Welsh-language television to be provided by a single commercial entity...”¹⁸⁰

BBC Cymru, which has a strong partnership with S4C, said that it did not see the need “to break up” the productive relationship between the two channels by “imposing a completely new structure.”¹⁸¹

ITV1 Wales and Regional Programming

Despite continued concern about the future of regional programming, there was also some positive news for ITV1 Wales. Ofcom recommended that regional programming should in future receive £9 million in funding. It is argued that this

¹⁷⁷ Ofcom put forward three three options for the future of the channel: 1) S4C remain in the same with continued government funding but more frequent reviews of provision 2) A complete takeover by the BBC. The S4C brand would be retained but the channel would be run by the BBC. 3) S4C convert into a Public Service Publisher run by a organisation who would commission programmes for the channel. The contract to run this organisation would be funded by the government and put out to tender every ten years.

¹⁷⁸ *Western Mail*, 19 January 2005.

¹⁷⁹ *Ibid.*

¹⁸⁰ www.bbc.co.uk/wales 14 March 2005.

¹⁸¹ *Ibid.*

obligation could be of great benefit to Wales. Managing Director of ITV Wales, Roger Lewis, claimed the decision was:

“... great news for ITV Wales. The opportunity for Wales is considerable and all of us involved in the creative industries should be pleased.”¹⁸²

Labour AM, Leighton Andrews, who actively campaigned to secure the future of ITV1 Wales, claimed that it was clear that this latest recommendation by Ofcom was as a result of the public and political pressure on Ofcom to protect regional/national programming.¹⁸³ However, the chief-executive of ITV News, Clive Jones, speaking in January, warned that in the long run a new funding formula would be needed to safeguard public service broadcasting.¹⁸⁴

Minister Calls For Quotas

The Minister for Economic Development and Transport, Andrew Davies, called on ITV network companies to introduce regional quotas for independent production companies.¹⁸⁵ This followed the launch of an Assembly Government Creative Industries Strategy which offers production companies funding from the government in return for part of the intellectual property generated. The Minister argued that many Welsh independent production firms are unable to take advantage of the opportunities generated by UK broadcasting companies.¹⁸⁶ At present Welsh production companies produce just one per cent of programming. As the Minister argued:

“ .. there is a strong case for Wales to have a share of network production commensurate with our population share of five per cent.”¹⁸⁷

He also claimed that the introduction of such a quota would be a significant boost to the Government’s strategy and the Welsh creative industry as a whole.

Further job-cuts at the BBC

Following the announcement of job losses in human resource and finance departments across the UK, BBC Wales is set to lose another 194 programme-making staff in efficiency saving measures. In total 2,050 jobs will go across the UK over the next three years. However, new investment is promised at the end of this three-year period. BBC Wales Controller, Menna Richards, stated the aim was

¹⁸² The Western Mail 9th February 2005

¹⁸³ Ibid.

¹⁸⁴ IWA meeting, Cardiff, 18 January 2005.

¹⁸⁵ Assembly Press Release February 1st 2005

¹⁸⁶ Ibid.

¹⁸⁷ Ibid.

to create “less bureaucracy but more creativity.”¹⁸⁸ The National Union of Journalists stated that it was concerned the cuts would put the quality of BBC Wales programmes at risk.¹⁸⁹

¹⁸⁸ www.bbc.co.uk/wales 21 March 2005.

¹⁸⁹ *Western Mail* 22 March 2005.