Nations and Regions: The Dynamics of Devolution

Quarterly Monitoring Programme

Wales

Quarterly Report
August 2003

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WALES UNPLUGGED
Monitoring

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**SUMMARY**

The creation of a ‘part-time’ Secretary of State for Wales and the merger of the Wales Office with the new Department of Constitutional Affairs in Westminster sparked renewed debate over the Assembly’s powers. Deputy Health Minister, Newport East AM John Griffiths, said the down-grading of the Secretary of State “greatly strengthens the case for primary law making powers.” However, evidence to the Richard Commission from Welsh MPs at Westminster opposed any change. As the ten-strong North Wales Group of Labour MPs put it: “We do not believe that the case for major change at present has been made, but even if it had, it would require specific endorsement by the people of Wales through a further referendum.”

Peter Hain, now combining the role of Leader of the House with Welsh Secretary may well find himself in the middle. Professor Robert Hazell, Director of the Constitution Unit at UCL, described him as having a key role once the Commission reports in early 2004. He could either be a “Godfather figure, propping up the existing arrangements” or “the architect of a new and more enduring settlement.” This was “a big historical choice, not just for him but for all the people of Wales.”

A confrontational atmosphere soon developed within the Assembly chamber following the May elections when the Labour administration refused to give way to Opposition demands to bring forward a programme for government for the second term. The result was a break down in relations in the Business Committee. The Government’s Business Statement was opposed on ten separate occasions between May and the summer recess in July. On 3 June the vote was 29 to 29 on an Opposition motion opposing the Business Statement, which was then defeated on the casting vote of the Presiding Officer, Lord Elis-Thomas. Throughout this period the Opposition parties refused to pair with the Government side, creating inconvenience for the Administration. On one occasion Rural Affairs Minister Carwyn Jones was prevented from going to Brussels as Wales’ representative on discussions over reforms to the Common Agriculture Policy.

Excessive emergency admissions to acute hospitals are clogging up bed space and directly causing the lengthening waiting lists for elective treatment in the Welsh NHS. At the other end of the process patients are not being transferred quickly enough out of acute hospitals into social care. These are among the main conclusions of a report by an Assembly Government team on the future of Welsh health and social care that was advised by the business and finance expert Derek Wanless. Published in early July 2003, the report found that Welsh GPs, who refer 40 per cent more emergency admissions per head than occurs in England, are the main source of Wales’s high demand for acute emergency services. In turn this was “driving out the ability of the NHS in Wales to meet the demand for elective activity.”

Meanwhile, Plaid Cymru was engulfed in leadership struggles, both for the presidency and for who was to head up the 12-strong group in the Assembly. Folk-singer and protest leader Dafydd Iwan is vying with the former Mid and West Wales AM Cynog Dafis for the presidency. In the Assembly the contest is between Helen Mary Jones (Mid and West Wales), Rhodri Glyn Thomas (Carmarthen East and Dinefwr) and Ieuan Wyn Jones (Ynys Mon) who unexpectedly threw his hat back in the ring after resigning following Plaid’s disappointing May election result.
1. THE ASSEMBLY GOVERNMENT  

John Osmond and Jessica Mugaseth, IWA  

Wales Unplugged  

The decision by the Prime Minister to give the Secretary of State for Wales the additional post of Leader of the House of Commons announced as part of the June reshuffle that created the new Department of Constitutional Affairs at Westminster, sparked renewed debate over the Assembly’s powers.  

Ministers in Cardiff and Westminster insisted the change had not fundamentally altered the relationship between Wales and Whitehall. It was “business as usual”, claimed Peter Hain who was made Leader of the House of Commons while continuing his position as Secretary of State for Wales. However, those supporting more powers for the Assembly saw the doubling-up of this role as strengthening their case. As the Deputy Health Minister in the Assembly, Newport East AM John Griffiths, put it:

“Devolution is a process not an event and the fact that there will no longer be a full-time Secretary of State for Wales was to be expected. This recognises that there has been a shift of power from Westminster to Cardiff Bay and greatly strengthens the case for primary law making powers.”

First Minister Rhodri Morgan indirectly made the same point when, responding to a question from Liberal Democrat leader Mike German during a statement to plenary on the changes, he drew attention to the differences between Wales and Scotland:

“On the case for the winding up of the Scotland Office being stronger than that for the winding up of the Wales Office or the full-time job of Secretary of State for Wales, that is true and obvious. We have similar interests on the block. That is what we have in common. However, the Scotland Office does not need Westminster legislation provisions as we do. Therefore, there is a bigger job for the Secretary of State for Wales than for the Secretary of State for Scotland.”

Earlier in his statement the First Minister stressed that the change in the position of the Secretary of State went with the grain of current practice in relations between Wales and Whitehall:

“… let us be clear that the Secretary of State was never the only, or even the main, channel of communication between the Assembly and the United Kingdom Government. It simply is not the case that all contact with Whitehall is routed via Discovery House here or Gwydyr House in London. The great

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1 See his speech to an Institute of Welsh Affairs conference on 7 July 2003, posted on the IWA website: www.iwa.org.uk
2 Western Mail, 14 June 2003.
3 Assembly Record, 17 June 2003.
4 The new headquarters of the Wales Office in Cardiff Bay.
The majority of communication is directly with the Ministers and Departments responsible for each policy area. Indeed, that has to be the only way if the Assembly is to be seen as a mature policy-making body in its own right, rather than a mere creature of devolution. We are and should be treated as equals rather than having to go cap in hand to the Secretary of State for Wales on each occasion. That cuts both ways. The Wales Office is not simply there for our benefit, but also to advise UK Government departments on Wales-related issues. As devolved government becomes less of a novelty and more of a reality, and departments are more able to deal with us directly, it is arguable that the role of the Secretary of State for Wales and that of the Wales Office will become less necessary. Perhaps it was only a matter of time before the status of the Wales and Scotland Offices, as headed by full-time Secretaries of State, was re-examined. The fact that it has been re-examined is a testament to the success of devolution, not to its failure.\(^6\)

In his Statement Rhodri Morgan said he had been aware that change was in the offing some weeks before the reshuffle announcement. He had expected there to be a merger between the Scotland and Wales Offices rather than their combination with other departments. However, his main priority had been to sustain the position of the Secretary of State for Wales at the Cabinet table:

“There was part of our negotiating tactics in the three or four weeks after it became likely that the Prime Minister would execute his long-expected decision either to merge the posts of Secretary of State for Wales and Secretary of State for Scotland with each other or with other departments, which is what happened, in this reshuffle rather than in 2005 or 2007.”\(^7\)

In the event it appears that the Prime Minister had no option but to keep the distinctive role of Secretary of State for Wales, albeit in a diminished role, since the office is specifically referred to in the Wales Act that established the National Assembly. The staff of the Wales Office will now become part of the new Department of Constitutional Affairs headed by Lord Falconer. However, they will continue to work directly to the Secretary of State for Wales, Peter Hain. The Wales Office’s Under Secretary, Islwyn MP Don Touhig, will continue to take Welsh legislation through the Committee stage of the House of Commons.

### Future of Health and Social Care: the Wanless Report

5 The Whitehall headquarters of the Wales Office.
6 Assembly Record, 17 June 2003.
7 Ibid.
Excessive emergency admissions to acute hospitals are clogging up bed space and directly causing the lengthening waiting lists for elective treatment in the Welsh NHS. At the other end of the process patients are not being transferred quickly enough out of acute hospitals into social care.

These are among the main conclusions of a report by an Assembly Government team on the future of Welsh health and social care that was advised by the business and finance expert Derek Wanless. Published in early July 2003, the report found that Welsh GPs, who refer 40 per cent more emergency admissions per head than occurs in England, are the main source of Wales’s high demand for acute emergency services. In turn this was “driving out the ability of the NHS in Wales to meet the demand for elective activity”. The report does not explain why Welsh GPs behave so differently to their English counterparts, except to say:

“… at present there is often no perceived option other than the District General Hospital available to GPs seeking help with medical emergencies.”

However, the Audit Commission - which described “a vicious circle of a failure to meet elective demand and rising emergency admission rates” – provided the following explanation :

“… primary care practitioners often feel that admission is the only way to access trust services.”

Presenting The Review of Health and Social Care in Wales to the National Assembly in July, Health Minister Jane Hutt said she would provide a detailed policy response in the Autumn. In the meantime she was allocating an additional £4 million to the 22 new local health boards across Wales to help them tackle alternatives to hospital admission and delayed discharges. She said placing responsibility in their hands was a reflection of their cross-cutting role:

“I do not intend for this money to be channelled through NHS trusts nor local authority social services departments, but through local health boards, where all health and social care interests will be represented. I intend to issue the funding in a way that ties our input more firmly to the outputs required, in a way that the review suggests.”

Later the Health Minister provided a strong indication that she would be following the Wanless Report’s recommendations with future additional funding to:

1. Improve recruitment and training of the health and social care workforce.
2. Enhance intermediate and primary care.

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8 The Review of Health and Social Care in Wales: Report of the Project Team advised by Derek Wanless, June 2003, para. 3.25. The report can be accessed on: www.wales.gov.uk/subieconomics/hsc-review-e.htm
9 Ibid., para. 3.16.
10 Ibid., para. 4.20
11 Ibid., para. 3.26.
3. Invest in information and communication technology.
4. Continue funding for NHS Incentive Fund.\textsuperscript{13}

Derek Wanless was appointed to review health and social care in Wales by then Finance Minister Edwina Hart in October 2002 at the same time as she announced her budget plans for the next two years. She explained that the review would have far-reaching consequences and would determine the health budget post 2004:

“This report will be crucial in terms of setting the agenda for the NHS and social care reform in Wales. It is also the reason why the budget table circulated contained relatively modest increases in the existing health budget lines for 2004-05 and 2005-06 and a significant reserve provision for those two years. The allocation of resources beyond the end of the next financial year will be determined by the direction in which that review can lead us in ensuring that investment is matched by reform and delivery.”\textsuperscript{14}

Given this make-up it is clear that the report’s recommendations point to new directions for the provision of health and social care in Wales for at least the next decade. Major changes can be expected in:

- Improving general practice.
- Focusing on the core role of acute hospitals with more comparative performance measurement undertaken across the Welsh health trusts.
- Enhancing the role of small community hospitals.
- Breaking down divisions between health and social care.

(i) General Practice

The report observes that, although Welsh GP lists are generally smaller in Wales than in England, the areas of the country with the greatest health need have practices with the highest list sizes, the lowest number of female GPs, the highest number of single-handed GPs, and the highest numbers of GPs due to retire soon. As the report concludes:

\textsuperscript{13} Health and Social Services Committee paper, \textit{Budget proposals 2004-05}, 16 July 2003, see Section on Finance.
\textsuperscript{14} Assembly \textit{Record}, 15 October 2002.
“The configuration of primary care is poorest where it is most needed and this has inevitable consequences for the quality of service provision for patients, and for additional pressures on hospital in these areas.”

To tackle these shortcomings it recommends:

“We envisage development of capacity – including increasing numbers of specialist GPs and nurse practitioners, and development of resource centres – within primary care services which actively manage chronic disease, provide an effective first contact service, undertake a greater range of diagnostic and therapeutic services, and undertake more elective services e.g. minor surgery.”

It advocates:

- Development of robust disease management services in primary care settings and more GPs with specialist interests.
- Re-designation of existing minor acute facilities as diagnostic and treatment centres.
- Development of new service models, which will see specialist, currently secondary care, services also being delivered in primary and community settings where they are a clinically and cost-effective solution.

(ii) General and Acute Hospitals

Wales has just over 11,000 general and acute hospital beds – 37 per cent more per head of population than in England. Yet, as the report notes, in March 2003 some 5,000 Welsh residents had been waiting more than 18 months for inpatient treatment in England nobody had been waiting that long. As the report says:

“This places enormous pressure on those working in acute hospitals. Occupancy levels of around 98 per cent are reported rather than the maximum 82-85 per cent maximum stable level. These hospitals are ever-nearer to supplying an emergency service only as elective activity is crowded out by emergency admissions (which accounted for 73 per cent of admissions and 77 per cent of inpatient bed days in 2001).”

On the basis of these figures the report judges that 479 extra beds would be needed to bring the occupancy rates down to stable level of 85 per cent. However, it also concludes that this is not the appropriate answer, pointing to research that shows that communities with a relatively greater supply of hospital beds tend to use hospital services at a greater rate. Instead, it recommends that a combination of reducing emergency admissions and combating the wide variations between the best and worst performing hospitals over a range of indicators should be followed. It gives examples of many areas where performance could be improved by universalising best practice:

15 Wanless report, para. 3.27.
16 Ibid, para. 4.21.
17 Ibid, para. 3.11.
18 Ibid, para. 3.13.
“For example, trusts in Wales typically carry out lower levels of day surgery than those in England. We need to work with auditors and best practice units systematically to benchmark and scrutinise elements of service to ensure they are in line with good practice.”\textsuperscript{19}

More widely the report recommends that:

“NHS hospitals should not any longer provide nursing or respite care without the need for other specialist interventions and support.”\textsuperscript{20}

(iii) Community Hospitals

There are 3,100 beds in community hospitals, mostly in Wales’ 78 non-psychiatric hospitals with 100 beds or more. They provide inpatient care which does not require highly technical support and so have the potential of relieving pressure on acute hospitals. Yet many are under-utilised, as the report notes:

“In 2001-02, beds in community hospitals had an average gap between patients of over seven days, as opposed to less than one day for most acute beds. Variations in average length of stay in community hospitals are so large (from over 40 days in Ceredigion to 13 days in Powys) that questions arise as to how far some of these hospitals are really providing medical care (i.e. characterised by medical interventions) at all.”\textsuperscript{21}

The report recommends that more effective use of community hospitals should be made as step-down facilities from acute care; for invigorated intermediate care incorporating active rehabilitation; and as resource centres for primary care.\textsuperscript{22}

(iv) Seamless Provision across the Health and Social Services

Social care provision was even more difficult for the report team to get to grips with than the NHS. For instance, in 2001-02 it found that the highest spending authority, Neath Port Talbot, spent just over £300 per head on social care compared with £200 by the lowest, Flintshire – a variation of 53 per cent. As it put it:

“We found no obvious relationships between spending and outcomes and performance in social care. For example, there seems to be little overall direct correlation between the cost of residential care for older people and the extent to which it is used, or between the cost of residential care, the extent of delayed transfers and individual authorities’ expenditure per capita on services for older people. Higher as well as lower spending authorities have been the subject of unfavourable Joint Review reports and vice versa.”\textsuperscript{23}

\textsuperscript{19} Ibid. para. 4.52.  
\textsuperscript{20} Ibid. para. 4.22.  
\textsuperscript{21} Ibid. para. 3.21.  
\textsuperscript{22} Ibid. paras. 4.14 and 4.16.  
\textsuperscript{23} Ibid. para. 3.46
Patterns of employment in social care are much more heterogeneous than those in the NHS. Some 70,000 people are employed in the sector - of whom about 3,000 are qualified social workers. Numbers are divided almost equally between the 22 local authority public employers and the private sector. As the Wanless report puts it:

“Different structures make it harder to work together. We have a national health service and 22 local authority social service departments. Information exchange is impeded by practical obstacles such as differing systems, and understandable concerns about client or patient confidentiality. Planning, performance management, accountabilities and resource allocation systems for the NHS and social care are quite different. We understand the overall public sector context for the differences, but the differing accountabilities create the danger that members of the public with health and social care needs find that nobody seems to be responsible for meeting them because everybody involved can refer the matter to someone else.”

The interface between the health and social care systems is most problematic at the point of transfers between the two. Thus, at any one time acute hospitals are caring for a significant number of patients whose transfer to another setting has been delayed. In 2001-02 there were an average 806 delayed transfers of care at any one time, and 57 per cent of patients were delayed for social care reasons arising from difficulties in arranging funding for care packages. By early 2003 the delayed transfer figure exceeded 1,000 – or more than twice the number of extra acute beds that were needed. For these reasons the Wanless report recommends what it describes as “seamless provision” between the sectors. As it says:

“Seamless provision is an objective that enjoys near universal support. But we are a long way from achieving it in Wales. We need to be resolute in breaking down barriers between health and social care. We believe that the Assembly needs to look again at what might be done to bring it about. By this we do not mean structural change. What is needed is integrated thinking, across social care and health services, about achieving the best possible outcomes together.”

The report points to the advent of 22 new Local Health Boards as presenting an opportunity to create an integrated approach. It says that national standards for health and social care should be delivered locally through the boards, which have a duty to develop health and well being strategies for their areas. It lists four options for developing seamless provision:

- Hypothecating the element of Revenue Support Grant to be spent on social care.
- A single integrated budget for older people’s services held by Local Health Boards.
- Joint consideration of health and social care budgets, locally and nationally.

24 Ibid. para. 3.35
25 Ibid. para. 3.34.
26 Ibid. para. 4.25.
• Placing a responsibility on local authorities to pay the NHS the costs of delayed transfers of care.\textsuperscript{27}

\textbf{Hospital Consultants}

The Assembly Government and BMA Cymru have reached agreement on amendments to the Consultant Contract of Employment and ways of working. Following the ‘No’ vote, in Wales, on the proposed framework for a new consultant contract, health officials have been in discussion with representatives of BMA Cymru and senior NHS managers on ways to maximise the rewards and benefits of the current consultant contract. The aim has been to improve patient care, aid the Assembly’s Recruitment and Retention Strategy, and drive through a modernisation agenda. After months of consultation, the parties involved have reached agreement and two pilot projects to test the contract and its changed conditions are under way. Subject to the evaluation of these schemes and a positive ballot result of all Consultants, it is envisaged that the changes will be implemented across Wales from December 2003. The BMA’s Welsh Secretary, Dr Richard Lewis said:

“This agreement is different to the original four countries agreement and to the recently announced proposals in England. We feel that the Welsh scheme has been designed appropriately around the needs of Wales, will achieve sustainability in both recruitment and retention of quality consultants and reward those consultants who are already working hard in NHS Wales.”\textsuperscript{28}

\textbf{WDA Draft Corporate Plan}

The WDA presented its draft corporate plan to the Economic Development Committee in July, setting out its strategies for 2004/5 to 2006/7 in compliance with the Assembly Government’s ten-year economic strategy, \textit{A Winning Wales} - see Table 1. A more detailed operational plan will follow later in the year.\textsuperscript{28}

The WDA’s targets for job creation and safeguarding have significantly increased in this period. Targets for jobs supported has increased from 18,000 in 1997/98 to 48,000 in 2003/04. The new target is considerably higher than that of the previous year (32,858 in 2002-03) while the overall WDA budget remains at a similar level. This is because previous targets have been met or exceeded in previous years. The WDA also aim to increase the role of private sector joint ventures.

\textsuperscript{27} \textit{Ibid.} para. 4.28.
Table 1: WDA’s Draft Corporate Plan Performance Targets 2004/05 – 2006/07

<table>
<thead>
<tr>
<th>WDA Programmes</th>
<th>Winning Wales, Assembly Government’s ten-year economic development plan, Objectives</th>
<th>Jobs aspiring to create/safeguard over period</th>
<th>New business start-ups</th>
<th>Additional investment to be made by Private Sector Investment and Capital Expenditure £'000</th>
<th>Budget Expenditure Lines set by WAG £'000</th>
<th>Total Expenditure to incur by WDA £'000*</th>
</tr>
</thead>
<tbody>
<tr>
<td>General support</td>
<td>Raising the stock of Welsh businesses; improving business support and advice</td>
<td>25,602</td>
<td>12,000</td>
<td>48,093</td>
<td>33,000</td>
<td>88,500</td>
</tr>
<tr>
<td>Specialist Support</td>
<td>Supporting high growth clusters and sectors; Foreign Direct Investment, improving productivity; increasing business expenditure on R&amp;D; increasing technology commercialisation and promotion of e-commerce, rolling out of Technium</td>
<td>93,453</td>
<td>770</td>
<td>1,514,862</td>
<td>82,000</td>
<td>298,000</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Ensuring adequate provision of high quality sites &amp; premises</td>
<td>5625</td>
<td>160,938</td>
<td>27,000</td>
<td>166,000</td>
<td></td>
</tr>
<tr>
<td>Communities</td>
<td>Using regeneration funds to maximum effect</td>
<td>12,576</td>
<td>266,607</td>
<td>55,000</td>
<td>152,000</td>
<td></td>
</tr>
<tr>
<td>Individuals</td>
<td>Encouraging entrepreneurship and removing barriers to work for minority groups</td>
<td>6,744</td>
<td>4,480</td>
<td>3,000</td>
<td>7,000</td>
<td>43,800</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>144,000</td>
<td>17,250</td>
<td>1,993,500</td>
<td>204,000</td>
<td>748,300</td>
</tr>
</tbody>
</table>

* In addition to the budget expenditure lines set by the Assembly Government, the WDA must generate its own income as a contribution to funding, the targets for these self-generated receipts is for approximately £28m of capital from disposals and £6m of revenue in each of the Plan years. Match funding from other sources is acquired by using the grant-in aid provided by WAG e.g.: Private Sector, EU Structural Funds, Pathway to Prosperity.
Objective One Review

Following speculation that the mid-term evaluation of Objective One funding would be altered by the Assembly Government because its findings were not to their liking, Opposition AMs called for the draft review to be published. The report, written by consultants from CRG Research, Cardiff University and Fitzpatrick Associates, highlights a number of issues:

“One key area of concern, given the overall targets of the programme, is the progress in terms of jobs created; with the exception of Priority One (expanding and developing small and medium-sized companies), all parts of the programme are showing slower than anticipated progress in terms of direct jobs, and projects and programme managers agree that targets in respect of Priorities Two (developing innovation and the knowledge-based economy) and Five (rural development and the sustainable use of natural resources) are probably unrealistic… in the light of our evaluation the programme targets for net impacts, at both priority and programme level, seem ambitious… In terms of process our most important conclusions is that there is insufficient contact with projects once they are given approval to proceed … partnerships which play a major role in terms of supporting project development and selection, are unclear what, if any, part they are expected to play in terms of monitoring at the project level and are not kept ‘in the loop’ about projects’ progress… within WEFO also there is a structural discontinuity between the process of project appraisal and approval and project implementation.”

In response, the First Minister described reactions to the draft review as “a lot of over hyped writing” about an “absolute standard document”. He argued that “15 per cent of the money had been spent and that 15 per cent of the expected jobs had been created”.

However, despite these assurances, the Secretary of State for Wales, Peter Hain, conceded that the European aid programme had been slow to get off the ground. The project had supposed to create 34,000 jobs, yet so far had only succeeded in creating 8,000. Mr Hain said it had been slow to gear up but was now supporting 217 separate projects in Wales and would continue to create jobs.

The Assembly Government faced further criticism after it was revealed that the executive agency that runs the European Aid programme, Wales European Funding Office, will close in September, with all its staff transferred to direct Assembly control. John Clarke, the office’s chief executive, is taking early retirement and his staff will in future be managed within the Assembly’s Economic Development and Transport division. Opposition Members demanded a recall of Assembly, or at the very least of the Economic Development Committee, to discuss the decision.

29 Western Mail, 30 June 2003
30 Western Mail, 2 July 2003
31 Western Mail, 25 June 2003
Rejecting these demands, the First Minister said:

“When we set up WEFO there were a number of people involved who did not want the programme to be run directly from within the Assembly. We set up WEFO which was a halfway house. Three and a half years later, people no longer think it’s necessary to have the halfway house. This is purely an administrative change, and people on the ground will not notice the difference.”

Top-up Fees

After months of negotiation between the Education Minister Jane Davidson and her counterpart in Westminster, Charles Clarke, responsibility for Higher and Further education student support has been transferred to the National Assembly. Legislation will be brought forward to provide the Assembly with new powers over the support provided to Higher and Further Education students domiciled in Wales regardless of where in the UK they undertake their studies. Full responsibility for the tuition fee regime, including new policy as regards variable fees are also to be devolved.

The legislation will pave the way for the Assembly Government to rule out controversial top-up fees in Wales, although concern has been expressed as to how the Assembly Government will fill the funding gap. It has been argued that the policy could expose Welsh universities as the poor relations of English institutions. Although Welsh colleges would become attractive to students from outside Wales, universities in Wales could be at a great disadvantage, unable to find the resources needed to ensure continued excellence.

In response Jane Davidson declared that the Assembly Government would fill any funding gap caused by the introduction of top up fees in England in 2006 for 12 months. A working group is being established to examine a range of options for Welsh universities from changes to repayment of tuition fees to allowing institutions to top up the £1,100 existing annual levy.

32 Western Mail, 25 July 2003
34 See David Grant, Vice Chancellor of Cardiff University: Even Higher, Agenda, IWA, Summer 2003.
**ELWa Restructuring**

Following months of criticism since a report by the Auditor General found it had made irregular payment, ELWa, the post-16 education and training quango, revealed details of its new organisational structure. There will be between 90-100 redundancies, with a reduction of nine directorates to four. The four directors and the Council Secretary will report to the Chief Executive, the director’s posts will cover Finance and Risk, Strategy and Communications, Corporate Services, and Learning. The interim Chief Executive of the National Council-ELWa said:

“The new structure will enable faster decision-making and provide a high level of accountability for the people in Wales.”

In addition to the reorganisation ELWa have produced a recovery plan to address the problems identified by the Auditor General. The plan, covering all ELWa’s business processes and systems, will be subject to an independent examination to assess how far it has been acted on and whether the organisation was able to deliver what was required. Senior officials will appear before the Education and Lifelong Learning committee in the autumn to discuss the development of the plan.

ELWa has also been required to hand over its flagship business support initiative, the £54m six year Knowledge Exploitation Fund, which passes to the Welsh Development Agency. Established in January 2001 the £54 million fund is directed at creating more entrepreneurs among graduates and assisting technology transfer from the academic to the business world.

Enid Rowlands, chairman of ELWa, who fielded much of the criticism directed at the organisation, announced her decision to resign from her post when her contract expires in October.

**Fire Service To Be Devolved**

In the wake of the settlement of the long-running fire dispute, responsibility for Wales’ three fire services is to be devolved from the Office of the Deputy Prime Minister to the National Assembly. Social Justice Minister Edwina Hart said the decision “would end the current split in responsibility” which had made direction of the fire service difficult. Hitherto the Assembly Government has been responsible for revenue funding for the fire service with Whitehall responsible for capital funding. Edwina Hart said the split had:

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36 ELWa Press Release, 10 June 2003
37 *Western Mail*, 13 June 2003.
“… given rise to confusion, delay, uncertainty and tensions between the OPDM, Assembly and fire brigades. Today’s announcement will bring an end to those problems.”

Deputy Prime Minister John Prescott commented:

“… being a Welshman myself I think I can say the Welsh and Scottish are ever open to the issue of resources. We are transferring all the responsibilities and all the assets, we are sending it back, all of it.”

**Civil Contingency Plans**

The National Assembly will have a greater role in preparing for emergencies in Wales, under the terms of a new consultation document published by the UK government. The draft Civil Contingencies Bill gives the Assembly Government powers to push through temporary legislation without prior parliamentary approval and also gives the authority to declare a state of emergency.

Under the proposals the Assembly Government will facilitate the operation of an all-Wales High Level Group. This Group will be chaired by an Assembly Minister and consist of senior representatives from local government, the emergency services, the armed forces and other relevant bodies. The Group will provide a forum for discussion on issues of emergency preparedness at the strategic level.

The proposals would impose a statutory duty of “co-operation and information sharing” between Wales and England on key utilities such as water and power companies, telecommunications operators, railways and airports. The Assembly Government will be consulted “where possible” on special legislative measures affecting Wales.

**Procurement Policy Review**

The Assembly Government has announced the review of the principles and guidance which underlie the Assembly's procurement policy over the next six months. The Welsh Procurement Initiative currently evaluates how the Assembly can do more to help small and medium sized enterprises gain more business both from the Assembly and the rest of the public sector in Wales. A further trial is looking at how it can improve social inclusion through the employment of local labour. The Assembly Government is aiming to improve sustainability through the use of improved supply

39 Ibid.
40 Western Mail, 1 July 2003.
chains. All of the lessons learned here will be incorporated into the revised guidance and will comply with both European and UK legislation.

The guidance to conform with current best practice on the application of employment and diversity legislation will also be updated and the application of International Labour Organisation codes will be taken in to consideration.

Once completed, guidance will be issued to the Assembly Sponsored Public Bodies and encourage other public sector bodies to follow the Assembly's lead. There will also be a review and update on the Voluntary Code on Procurement good practice, which all Assembly suppliers will be invited to sign.41

**Revision of Sustainable Development Scheme**

The findings of a survey of stakeholders’ views on the Assembly Government’s strategic policy planning and progress on sustainable development has been published in the Davidoff Report.

The report sets out the challenge the Assembly faces in reviewing its sustainable development scheme, including the necessity to build on the work to date in embedding sustainable development in policy as well as focussing on the actions that will deliver the kind of far-reaching change that legal duty demands. In addition to the Davidoff report, the Assembly Government have commissioned an independent assessment of the difference its sustainable development scheme has made, and of whether it has addressed all the issues it should. The two reports will together form the basis of the assessment required to determine the effectiveness of the scheme so far.

The scheme review is anticipated to be completed by Spring 2004 following a participative consultative process, with a new scheme being adopted by the Assembly in time for the end of March 2004 when Wales will be hosting the international network of regional governments for sustainable development which was co-founded at the Johannesburg summit in September 2002.

The consultative process will focus on renewing the vision set out in the original scheme for a sustainable Wales and from that define the key actions that should be included in a revised action plan. Possible areas for development of fresh action include:

- Exploring the opportunities created by moves towards a low-carbon or hydrogen economy;
- Using the individual strengths and distinctiveness of different parts of Wales to diversify the economy for competitive, social and environmental advantage;
- Exploring ways of making the planning system more proactive;

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• Using the purchasing power of the Welsh public sector to change markets, transform communities, support creativity and innovation and create jobs;
• Encouraging the demand for locally-sourced food to support rural regeneration, agriculture, health and communities;
• Using the Ecological Footprint\(^{42}\) as a means of raising public awareness of SD issues;
• Improving ‘green housekeeping’ across the public sector;
• Developing ‘flagship’ physical projects and converting examples of good practice into the norm.\(^{43}\)

**Spin Doctors**

Rhodri Morgan came under attack for advertising for three more special advisers, doubling the number of Assembly Government ‘spin doctors’ to six. The posts were advertised with salaries ranging from £35,600 to £47,300, making the total cost of the six posts almost £300,000. Defending against Opposition attacks that the appointments were extravagant an Assembly Government spokeswoman said:

“The coalition administration had government permission to employ six special advisers, and just because there is no longer a coalition does not mean the workload is any less … there is still as much work, if not more, to do.”\(^{44}\)

**Counsel General Steps Down**

The first Counsel General for the National Assembly, Winston Roddick QC, announced in July that he would not be renewing his five-year contract. He will leave his £141,000 post in October to return to private practice “while he is still young enough to do so”. Describing the position he has held since the establishment of the National Assembly as the “most constructive thing he has done in his life”, Roddick said that for his successor it is “an enormous opportunity to work in the most exciting and challenging legal job in Wales.”\(^{45}\)

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\(^{42}\) The Ecological Footprint is a measure of the 'load' imposed by a given population on nature. It represents the land area necessary to sustain current levels of resource consumption and waste discharge by that population.

\(^{43}\) Cabinet Statement, *A proposed approach to revising the Assembly’s Sustainable Development Scheme*, 24 June 2003

\(^{44}\) Ibid.

\(^{45}\) Interview with Winston Roddick, 8 August 2003
Confrontation in the Chamber

A confrontational atmosphere soon developed following the May elections when the Labour administration refused to give way to Opposition demands to bring forward a programme for government for the second term.

The result was a break down in relations in the Business Committee. The Government’s Business Statement was opposed on ten separate occasions between May and the summer recess in July. On 3 June the vote was 29 to 29 on an Opposition motion opposing the Business Statement, which was then defeated on the casting vote of the Presiding Officer, Lord Elis-Thomas who made his decision in accordance with Standing Order No 1.12. On this occasion the tied vote was the result of Labour’s Conwy AM, Denise Idris Jones, being out of the chamber whilst the vote was taking place.

The following day the Assembly Government won a vote on its Business Statement by 32 votes to 26. On this occasion Denise Idris Jones was safely in the chamber and two Opposition AMs – Conservative David Davies (Monmouth), and Plaid Cymru Alun Ffred Jones (Caernarfon) - voted with the Government by mistake.

Throughout this period the Opposition parties refused to pair with the Government side, creating inconvenience for the Administration and increasing the atmosphere of confrontation. On one occasion Rural Affairs Minister Carwyn Jones was prevented from going to Brussels as Wales’ representative on discussions over reforms to the Common Agriculture Policy. On another Culture Minister Alun Pugh could not attend a funeral.

Nevertheless, the Opposition failed to secure an adequate explanation from Labour’s Business Minister Karen Sinclair on why the Government was delaying an announcement of its programme for the second term until September. At one point, in June, she said:

“Government is a marathon and not a sprint. Matters will become clear over the next term … I can assure you that the Government’s work programme will put all the manifesto commitments, upon which we were elected, into practice.”

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46 1.12 When presiding at plenary meetings, the Presiding Officer or Deputy may vote only by the exercise of a casting vote. Where there is an equality of votes a casting vote shall be given
   (i) in the affirmative where further discussion of the matter before the Assembly is possible; and
   (ii) in the negative where further discussion is not possible or where there is a vote on an amendment.

47 Assembly Record, 24 June 2003.
However, a fuller explanation was not forthcoming. Part of the background may be that Labour had been anticipating it would need to work out a policy programme with the Liberal Democrats as part of a new coalition deal. In the event the election result that allowed it to form a majority administration was perhaps unexpected. Certainly, the subsequent delay in the appearance of a programme for the second term created the impression that the new administration was less than prepared in policy terms. Another dimension was that in the key policy field of health it needed time to get to grips with the policy recommendations of the Wanless report (see pages 4-9).

Nonetheless, the lack of policy focus in the opening weeks of the Assembly’s second term created a good deal of frustration amongst the Opposition parties which united around the view that the Assembly Government were deliberately undermining and diminishing their role. As the Conservatives’ Business Manager, Jonathan Morgan put it, in one exchange in June:

“Nothing in the draft business statement for the next three weeks indicates this Government’s legislative agenda and there is nothing to indicate that we will have a major debate on any of its policy objectives arising from the election victory that it secured and the manifesto on the basis of which it fought that election.”48

Kirsty Williams, for the Liberal Democrats compared the position with Scotland:

“The two Government parties there have hammered out and published a complete programme for Government, agreed two pieces of legislation, made parliamentary statement on charity reform, held debates on dental services, and published two Bills – one on school meals and one on the Scottish agricultural college.”49

Such ill-tempered debates went largely unreported. However, the new atmosphere broke through into the media in July with an extraordinary dispute over seating arrangements in the Chamber. Widespread coverage was given to a Labour proposal that the Government side should be seated as a block on one side of the Chamber with the Opposition on the other. At present AMs are dispersed across the Chamber and do not sit as blocks. The First Minister’s aides were reported as saying he was concerned that Opposition AMs could read the papers of Ministers sitting in front of them.50

However, Opposition leader Ieuan Wyn Jones demanded:

“Are you seriously suggesting that having just won an election, the most important agenda item you can table is to discuss seating arrangements for members in the National Assembly?”51

The Opposition tabled hundreds of amendments to the Government motion on seating arrangements which threatened to produce a marathon debate lasting more than 12 hours. This prospect was prevented by an eleventh hour deal in which an Opposition

48 Assembly Record, 3 June 2003.
49 Ibid.
50 Western Mail, 9 July 2003.
51 Assembly Record, 8 July 2003.
Censure motion against Business Minister Karen Sinclair was dropped in return for Labour agreeing to establish an all-party committee to resolve the seating question. However, the row prompted Presiding Officer Lord Elis Thomas to describe it as an “extraordinary embarrassment” and to chide those involved:

“What is the point of getting up in the morning, cleaning my teeth, washing and shaving, if you go to work in an institution like this? Changing the culture [of Welsh politics] is a process – I knew it was going to be hard, but not as painful as this.”

**Three-week Cycle for Committees**

Relations were further soured by the Government’s determination to reduce the number of Subject Committee meetings by moving from a two-week to a three-week cycle. At first the Government side proposed monthly meetings, but after some negotiation came to the Chamber with proposals for them to meet every three weeks. This was forced through on a series of votes in which the Opposition parties combined against the Labour Party. The result was a complete breakdown of the consensus on Assembly procedures that had characterised the first term. As the Liberal Democrat Business Manager Kirsty Williams put it:

“It is a matter of regret that this timetable for Assembly business, unlike those of the first Assembly, has had to be debated in this way. It testifies to the breakdown of consensus on how the Assembly should operate. While we have always debated the contents of Plenary and Committee agendas, and have experimented with timing, we have never before seen such a breakdown in the usual channels of communication. It starkly illustrates the high-handedness and arrogance that the Labour Party believes that having 30 seats in this Chamber allows it. We did not see such arrogance from Welsh Labour during the first term, but it is all too familiar to many in local authorities throughout Wales.”

This view was supported by the Conservative Business Manager, Jonathan Morgan:

“It is sad that we are even debating a statement on the timetable, which, in the past four years, has been achieved through a great deal of consensus, and has been established as a non-controversial part of what we do in tabling our business for Committees and so on, for forthcoming months. Today’s debate demonstrates the extent to which cross-party support has collapsed, particularly between the Government and the opposition - although consensus is strong among the opposition parties. It demonstrates the extent to which the relations with the governing party are at an all-time low.”

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52 *Western Mail*, 17 July 2003
However, Business Minister Karen Sinclair claimed the reasons for moving to a three-week cycle for Committee meetings were “clear and persuasive”:

“First, the change shows that the Assembly is a learning organisation that can reflect on previous experience and benefit from that reflection. Some parties in the Assembly are instinctively reactionary - they want things to be done in a particular way because that is how they were done previously. That cannot be good for us, particularly at the start of a four-year term. The Government knows that not everything relating to Committee work over the past four years was perfect or beyond improvement. Far too often, Committees were on a treadmill of fortnightly meetings where quantity was always in danger of crowding out quality. Far too often, Committee Members had to deal with papers which, despite the efforts of staff, would arrive just before meetings were due to take place. Too often, Committee members would be trapped in this building; it was insisted that people should always come to the Assembly when the type of inquiries in which Members were engaged would have been better served had the Committee gone out and about throughout Wales.”

These arguments were rejected by the Opposition parties. The following exchanges give an impression of the tone of the debate, starting with Conservative leader Nick Bourne, who was responding directly to the Business Minister Karen Sinclair’s statement:

“Two questions arise from your statement. First, you said that many Members wanted to move to a four-week cycle. Will you name any Member, other than a Labour Party member, who is in favour of that?

Carwyn Jones [Rural Affairs Minister]: The majority of Members are.

Nick Bourne: That is the whole point. You believe that your having a majority of Members is sufficient reason for doing this. If that is the way that Government business will be conducted, you can discount any possibility of accommodation from the opposition parties on issues such as pairing. In terms of our processes, the Assembly can only proceed on the basis of consensus. None of these arrangements were suggested by any party during the Assembly review of procedure, as Kirsty Williams said. Nobody in the Labour Party wanted this at that time. The second point that the Minister should address is how she believes moving to a three-week cycle, rather than a fortnightly one, will improve scrutiny of Government business. She must answer that question. There is no point talking about informal Committee meetings. Meetings should be formal, with proper translation facilities, attendance and so on, or not happen at all. The idea of having a kind of travelling circus is piffle, and it will not work.”

The appointment of Liberal Democrat Jenny Randerson as chair of the Business Committee had also broken with a precedent set in the first term. This was that the chair should be the Deputy Presiding Officer. However, the election of former Labour

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55 Ibid.
56 Ibid.
member, John Marek, now Independent AM for Wrexham, as Deputy Presiding Officer meant his bid for the chairmanship of the Business Committee was blocked by the Labour side. In her contribution to the debate Jenny Randerson drew attention to a report by the Business Committee on the issue of the cycle of Subject Committee meetings, which she tabled as an amendment to the Government’s motion:

“It succinctly points out that the Business Committee, with the single exception of the Business Minister, agreed to retain the fortnightly timetable for Committee meetings. The Business Minister can, of course, choose to ignore that advice, as she has done today, and proceed to a three-week timetable. As this is a matter of fundamental importance, affecting the role and conduct of our Committees, the Business Committee felt that this report should be presented to the Chamber to register its concerns. Briefly, our discussions indicated concern that a move to a longer cycle for Committee meetings would undermine the stature of Committees, erode their established position in policy development, and reduce opportunities to scrutinise Ministers.

“Members were alert to the public perception that a reduction in the number of Committee meetings would seem like a reduction in workload. The issue of informal Committee meetings, and exactly what that would mean, was also raised. It has been pointed out that many Committees went out and about on a formal basis in the past—you do not have to have informal meetings in order to get out and about. As Chair of the Business Committee, I feel that this should be on a cross-party basis. It is about the right of all backbenchers—not just opposition ones—to contribute positively to policy development and to the running of the Assembly. Committees provide, in particular, the opportunity for Labour backbenchers who are not spokespeople on a particular subject to have a full say in that.

“From my experience as a former Minister, I know that ‘Creative Future’ and ‘Iaith Pawb’—two major policy documents—would not have been possible without the foundations that were built and the policies that were developed in Committee meetings. Ours is a new institution and it is much criticised. Our procedures, our behaviour, and our very being are subject to question in a way that Parliament is not. Our Committee system was the one aspect of our fledgling institution that has been universally acknowledged as a successful departure from the practice in other institutions. If we start to unravel it today, even slightly, by making the Committees less important because they meet less frequently, we will lose one of the most important aspects of our work, and one of our important claims to being a novel and effective institution.”

57 Ibid
The Richard Commission on the powers and electoral arrangements of the Assembly, which began work in September 2002, has continued to receive evidence with speculation mounting over its likely recommendations. The Westminster Cabinet shake-up, with the establishment of the Department for Constitutional Affairs, means there will be a new political context in which the Commission will report. A further new element is the majority Labour administration in Cardiff following the May election. This changing context, coupled with the amount of evidence collected, has meant the work of the Commission has been extended. It will now report in early 2004 rather than late 2003 as originally planned.

In a speech to an IWA conference on the Commission, held in Cardiff in early July, Professor Robert Hazell, Director of the Constitution Unit at University College, London, set out a prospective timetable. His predictions set out a prospective timetable for consideration of the Richard report. His forecast was based on the assumption that the Commission would recommend powers of primary legislation and an increase in the size of the Assembly in its final report. Rhodri Morgan's original strategy had been that the UK Labour party would include a commitment to implement the proposals of the Richard Commission in their next election manifesto, for the general election expected in 2005, with a new Wales Act emerging possibly as early as 2006. With the slippage in delivery of the Richard report it now looked impossibly tight to get a commitment from the UK Labour party or the UK government this side of the next election. Persuading the UK government would be an uphill task, with the Secretary of State playing a key role. Peter Hain would have to choose between being “Godfather figure, propping up the existing arrangements” or alternatively:

“... he can be the architect of a new and more enduring settlement. It is a big historical choice, not just for him but for all the people of Wales.”

Given his potentially pivotal role the two-hour oral session Peter Hain had with the Richard Commission at Westminster in March was particularly important. He stated early on that the Commission should consider providing democratic legitimacy for any major changes it proposed, “bearing in mind that the current settlement was introduced following a general election manifesto endorsement and a referendum”. And he added:

“I am not pronouncing on that myself; this is a matter that I would be interested to hear your views on as to the democratic mandate for any substantial or radical changes. I think it is important there again to especially bear in mind the views of Welsh MPs in this respect since they would be invited to introduce any legislation that was recommended or was agreed.”

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58 See the earlier report in this series, *Dragon Takes a Different Route*, IWA, December 2002, pages 19-23. To view the evidence submitted to the Commission visit its website: www.richardcommission.gov.uk
60 Peter Hain, Secretary of State for Wales, oral evidence to the Richard Commission 13 March 2003.
More generally, Hain prefaced his views with the following comment:

“I think it is important to begin with recognising that the existing settlement is working well. I am not saying that it cannot be improved and I look forward to receiving the Commission’s recommendations over areas where we can improve it … It is important to recognise that the system is quite young and that there really needs to be a very persuasive case put to justify radical change and to underpin the case for even substantial alterations.”

Pressed on problems that might arise if governments of different political persuasions were in power at Westminster and Cardiff, he responded:

“The Secretary of State and the Government in London who was actively at war politically with the Assembly in Cardiff is actually going to find it very difficult to manage Wales and is going to find it very difficult to have Wales effectively in revolt against London, as probably it came quite close to being under John Redwood. I think that the nature of British democracy in parliamentary politics means that in fact you will find that the system adjusts to cope with that situation.”

Responding to one member of the Commission, Ted Rowlands, former Labour MP for Merthyr, commented that the whole history of devolution had been one where the burden of proof had been on those who wished to devolve against a very sceptical and reluctant Whitehall/Westminster structure. He then added:

“However, since the creation of an Assembly, do you think that the burden of proof has shifted and that as much now the burden of proof lies with those who want to resist any further form of devolution as opposed to those who want to advocate it?

PETER HAIN: I think by its very nature, especially for a system so young, it is a process, not an event, and Government in London and Government in Cardiff has been learning together all the time, advancing together. For a lot of the Whitehall departments, that has been a quite steep learning curve, to be perfectly frank … I personally am very open minded about the case for change. I think it just has to be well made and very persuasive in terms of the practical delivery results in Wales, not just a tidier constitution of settlement to purists but actually what difference it makes in terms of jobs and health service delivery and in school standards and so on. I think that should be uppermost in our minds.”

Asked about the attitude of backbench Welsh MPs at Westminster Hain replied:

“I think my colleagues feel out of the picture as far as what the Assembly is doing. They have to take the consequences including standing at elections for re-election where effectively the voters are voting on things like health and education typically, they feel without really substantially being able to influence

61 Ibid
62 Ibid.
63 Ibid
a lot of the key decisions whereas Assembly Members might feel, ‘Why don’t we have the primary legislation to do it all on our own?’ So I think there is a process of accommodation that we need to work through rather more substantially there and I do not think particularly those Members of Parliament who were here before 1999 find it as satisfying as it was before then. But then that is inevitable and then I think many are focusing on other things particularly UK level reserved power matters.”

Questioned on the emergence of a distinctive legal system in Wales from England the following exchange took place between the Commission Chairman, Lord Richard, and the Secretary of State:

“PETER HAIN: I have not seen a persuasive case for a separate legal system. Scotland’s history is very different. Obviously it has had its own legal system for 300 years or thereabouts. We have not had that in Wales. This would seem to me to fit perfectly into the category of something that you have to make a very, very convincing case for to even begin to get into that territory.

LORD RICHARD: Yes, but you are answering it in somewhat absolutist terms. You are saying that there is no case for a separate legal system.

PETER HAIN: I am saying that the case has not been made.

LORD RICHARD: It is the same point. The fact of the matter is that distinctions are emerging, differences are emerging. Now you have the Court of Appeal sitting in Cardiff, you have an administrative court sitting in Cardiff, you have this whole corpus of Welsh law being administered by Welsh judges in the Welsh context. The automaticity between England and Wales in legal terms is beginning to break down.

PETER HAIN: It is called devolution.

LORD RICHARD: Okay but, in that case, what follows from that is that although you do not set up a separate legal system in Wales, you do not do anything to discourage the trends which are taking place.

PETER HAIN: No, I am not seeking to discourage the trends that are taking place.”

The likely response of backbench MPs and AMs to the Commission’s report was provided by submissions from the ten-strong Group of North Wales Labour MPs, and former Mid and West Wales AM Delyth Evans. Presented in June, the memorandum from the North Wales MPs was overshadowed in the media by the Westminster reshuffle. However, it provided an accurate snapshot of the views of the large majority of Welsh Labour MPs at Westminster and the obstacles with which Peter Hain will have to contend in pushing forward any radical recommendations that are made by the Richard Commission:

64 Ibid.
65 Ibid.
• We believe the present arrangements are working satisfactorily and there is no pressing need to make major changes. By major changes we mean either conferring primary legislative powers on the Assembly for devolved areas, or the transfer to the Assembly of executive/secondary legislative powers in previously reserved areas such as Policing or Criminal Justice. In any event, the onus is on those who advocate major changes to demonstrate that the present arrangements are not working, and to outline why they wish the Assembly to have new powers (and what it would do with them).

• We do not believe that the case for major change at present has been made, but even if it had, it would require specific endorsement by the people of Wales through a further referendum. In addition, any future commitment to hold a referendum would require endorsement as a manifesto commitment in a General Election. The results of the 2003 National Assembly elections do not show a strong demand for more power for the Assembly.

• The Assembly has been in existence for barely four years. There was only a very short shadow period. We believe it is far too early to make major changes to the present arrangements. It appears that many of our constituents have little interest in the Assembly. This is reflected in the very low turnouts at the 1997 Referendum and at the 2003 Assembly election - especially in North Wales. This is coupled with a widespread feeling that the Assembly is a South Wales dominated body. This is partly the responsibility of the Welsh Assembly Government, but we hope and expect that as the Assembly matures and beds in, these attitudes will change. However we believe that the vast majority of those we represent do not favour any major changes.

• One aspect of the Government of Wales Act that does cause concern and confusion to constituents is the process of election of additional members to the National Assembly. This causes particular confusion when candidates stand as constituency candidates, fail to secure election and are then elected as additional members. We believe that candidates should stand either as constituency candidates or Party list candidates, not both.

• There are concerns both from the Assembly and from MPs from Wales that there is a need to establish a better process for passing legislation for Wales. The Welsh Affairs Select Committee has recommended the trial use of a Special Standing Committee on the next Wales-only Bill or Welsh-only section of a wider Bill, which would allow the Assembly formally to present its opinions. It also favoured an annual joint meeting between the Assembly and the Welsh Grand Committee on legislative priorities. The UK Parliament and the National Assembly for Wales should consider how it could facilitate joint meetings of Members, and must take seriously the rights of backbenchers from both bodies.66

In her memorandum Delyth Evans, on the ‘maximalist’ wing of the devolution argument within her party, also urged caution, saying the Assembly had yet to achieve wide support. However, she added that the stability of present arrangements was contingent upon parties of the same colour being in control at Westminster and Cardiff:

66 Memorandum to the Commission from the North Wales Group of Labour MPs, June 2003.
“If a government was elected to Westminster that did not support devolution, and if that government pursued policies directly at odds with those pursued by the Assembly Government, serious problems could arise. This seems to me to be the most persuasive case for the transfer of primary powers to the Assembly: as a means of protecting and safeguarding the democratic powers of the Assembly against the possibility of a hostile government at Westminster.”

Jon Owen Jones, Labour MP for Cardiff Central told the Commission that the current arrangements were unsustainable. He argued that non-contentious bills were being over scrutinised while controversial matters affecting Wales barely received any scrutiny. He suggested two possible ways of improving the matter. Either the Assembly should get primary law-making powers of its own, or new parliamentary arrangements could be introduced, possibly with joint committees of MPs and AMs but insisted that there was a need for a referendum if increased powers were chosen.

The First Minister Rhodri Morgan himself gave evidence to the Commission in July and was notably cautious. Following Hain he said that if in the future the Assembly was to acquire greater powers it would be because it had earned them and not because the present powers were not working. This view was reflected in written evidence which emphasised the practical benefits that had accrued from further powers already devolved to the Assembly:

“In each case the decision to seek extra powers has been based on a practical, focused and grounded assessment of what is needed to improve delivery, rather than an abstract argument based on devolved settlements in other parts of the UK, or a desire to withdraw Wales from the UK … Welsh Labour rejects the argument that the Assembly has been too weak solely because it has not always been able to act without reference to other government institutions. Constraints are a fact of life for all levels of government, including the UK government vis-à-vis the EU.”

**Prescription Charges**

The Labour Administration ran into criticism for ignoring plans to abolish prescription charges for the chronically ill, even though politicians had already voted in favour of the scheme in the Assembly’s first term. Business Minister Karen Sinclair said the government would bring forward a motion in September to rescind the scheme and replace it with an alternative on the basis of which Labour had been elected. As she put it:

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67 Delyth Evans, Evidence to the Richard Commission, 1 July 2003.
68 *Western Mail*, 11 July 2003
69 Strategy Wales, briefing notes on evidence given to the Richard Commission, 25 July 2003
70 Submission by the Welsh Labour Party, July 2003
“The terms of the motion were overtaken by the Labour party’s manifesto commitment to abolish all prescription charges during the lifetime of the administration.”\(^{71}\)

However, Welsh Conservative leader, Nick Bourne, objected:

“There is no way the Welsh Labour manifesto can take over from a resolution passed by us. There is no such possibility. What is more serious is the arrogance of the Labour Party in seeking to run this institution.”\(^{72}\)

The Liberal Democrat health spokesperson, Kirsty Williams, who had proposed the original move, said:

“The Minister and her turncoat Labour colleagues voted for this piece of legislation and now they are simply tossing it away… this is a complete betrayal of the Assembly and of the people of Wales.”\(^{73}\)

**New Assembly Building**

A fixed sum contract for the new National Assembly building was eventually finalised in June. The Assembly has entered into a contract with Taylor Woodrow Construction Ltd for the sum of £40.997 million, excluding both VAT and fixtures and fittings, which could take the price to over £50 million. The project won overwhelming approval, by 46 votes to 12 following a debate at the beginning of July. Finance Minister Sue Essex said it would provide more than just a building:

“It is a symbol of what Wales means in this new democracy.”\(^{74}\).

However, Conservative leader Nick Bourne branded the deal “an incredible waste of money”\(^{75}\), while Blaenau Gwent Labour AM Peter Law described the building “a bauble of self indulgence” and “narcissistic extravagance”\(^{76}\). Work is expected to begin in August with final completion in August 2005.

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\(^{71}\) Assembly Record, 9 July 2003  
\(^{72}\) Ibid.  
\(^{73}\) Ibid.  
\(^{74}\) Ibid  
\(^{75}\) Assembly Record, 1 July 2003  
\(^{76}\) Ibid
School Uniforms

The limitations of the Assembly’s powers were revealed following a debate in which a motion was passed to end the postcode lottery of grants available to parents to help buy school uniforms. Deputy Social Justice Minister Huw Lewis called for a new law to ensure all councils offer at least a minimum level of support to end the widespread disparity in Wales.

However, pressure from the Education Minister during the debate led to Huw Lewis withdrawing the motion only for it to be proposed again by Conservative AM David Davies and passed by 51 votes, with four members of the Cabinet in the chamber abstaining. 77 Despite this, Education Minister Jane Davidson, subsequently made a statement to plenary in which she expressed her support for the principle of the motion but stated that it was not legally possible for the Assembly to take action on the proposal. However, she pledged to find a way around the problem. She will consult on ways to develop the principle, exploring use of the grant making power contained in the Education Act 2002, and the power of direction in the Learning and Skills Act 2000, to require LEAs to make minimum grants for the purchase of uniform for secondary school pupils. 78

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77 Assembly Record, 4 June 2003.
78 Assembly Record, 8 July 2003.
3. FINANCE
   Jessica Mugaseth, IWA

2003 Budget Planning Round

The budget for 2004-05 is the second year of the Spending Review conducted by the Assembly Government in 2002. The Assembly has therefore already agreed indicative budgets for 2004-05 which were set out and approved in the Final Budget last November. The total budget for 2004-05 is £11.8 billion – 5.6 per cent more than 2003-04. Finance Minister Sue Essex has requested Committees to consider how the priorities covered by the spending plans may need to be adjusted in the light of changing circumstances and commitments. However, has warned that in most cases bids for spending over and above the indicative budgets are unlikely to succeed. The Draft Budget will be brought forward in October or early November.  

Health

Despite Sue Essex’s warning, the budget line for Health and Social Care will be adjusted following consideration of the Wanless Report (see Assembly Government section). In response to the Finance Minister’s letter, the Health Minister has stated that she will be seeking

“… additional funding to support improvements in the recruitment and training of the whole health and social care workforce… I also intend seeking additional funding for developments in intermediate and primary care … (and) to radically improve Information and Communication Technology within the health and social care sectors and on-going funding to continue the NHS Incentive Fund.”

In her briefing to the Health and Social Services Committee, Jane Hutt recognised that this extra funding, alongside the alterations due to the Wanless Report would involve re-prioritising existing commitments and details will be published once the committee has been informed of the changes due to Wanless.

Social Justice and Regeneration

In early July the new Social Justice and Regeneration Committee, produced a paper that outlines the budgets that make up the portfolio, shown in Table 2.

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79 Finance Minister’s Budget Planning Round Letter to Committees, 10 June 2003
80 Health and Social Services Committee paper, Budget proposals 2004-05, 16 July 2003
Table 2: Social Justice and Regeneration portfolio budget 2003-04*

<table>
<thead>
<tr>
<th>Social Justice and Regeneration Main Expenditure Group</th>
<th>Budget £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Housing Grant</td>
<td>56,400</td>
</tr>
<tr>
<td>Supported Housing Revenue Grant</td>
<td>14,092</td>
</tr>
<tr>
<td>Housing - General Capital Funding</td>
<td>207,089</td>
</tr>
<tr>
<td>Other Housing Revenue</td>
<td>56,958</td>
</tr>
<tr>
<td>Housing Revenue Account Subsidy</td>
<td>194,000</td>
</tr>
<tr>
<td><strong>Housing (sub total)</strong></td>
<td><strong>528,539</strong></td>
</tr>
<tr>
<td>Community Purposes</td>
<td>69,369</td>
</tr>
<tr>
<td>Other Regeneration</td>
<td>684</td>
</tr>
<tr>
<td>Safer Communities</td>
<td>8,812</td>
</tr>
<tr>
<td>Pathway to Prosperity (social element)</td>
<td>284</td>
</tr>
<tr>
<td>Domestic Violence</td>
<td>1,582</td>
</tr>
<tr>
<td>Voluntary Sector</td>
<td>6,937</td>
</tr>
<tr>
<td>Promoting Equality</td>
<td>620</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>616,827</strong></td>
</tr>
</tbody>
</table>

*Source: Social Justice and Regeneration Paper SJR-02-03(p.5) Budgets 2 July 2003

Education

Table 3: Education and Lifelong Learning, published plans as of 26 April 2003 (figures in '000s).*

<table>
<thead>
<tr>
<th>Expenditure Groups</th>
<th>2003-04</th>
<th>2004-05 Baseline</th>
<th>2005-06 Baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and Enterprise Support</td>
<td>15,895</td>
<td>16,757</td>
<td>16,815</td>
</tr>
<tr>
<td>Careers Wales</td>
<td>34,000</td>
<td>35,000</td>
<td>36,765</td>
</tr>
<tr>
<td>National Council-ELWa</td>
<td>484,870</td>
<td>498,962</td>
<td>534,290</td>
</tr>
<tr>
<td>Higher Education Funding Council for Wales</td>
<td>342,904</td>
<td>354,184</td>
<td>388,217</td>
</tr>
<tr>
<td>Student Access Funds</td>
<td>59,235</td>
<td>59,235</td>
<td>59,235</td>
</tr>
<tr>
<td>Youth Initiatives</td>
<td>2,640</td>
<td>5,450</td>
<td>18,500</td>
</tr>
<tr>
<td>Research Development Fund</td>
<td>6,000</td>
<td>14,500</td>
<td>20,000</td>
</tr>
<tr>
<td>Teaching: Restructuring</td>
<td>18,619</td>
<td>23,407</td>
<td>44,610</td>
</tr>
<tr>
<td>Schools Capital</td>
<td>46,185</td>
<td>61,185</td>
<td>84,185</td>
</tr>
<tr>
<td>Education –General Capital Funding</td>
<td>54,939</td>
<td>54,939</td>
<td>54,939</td>
</tr>
<tr>
<td>Grant for Education Support and Training</td>
<td>70,110</td>
<td>71,710</td>
<td>69,810</td>
</tr>
<tr>
<td>ACCAC (Curriculum Authority)</td>
<td>12,060</td>
<td>12,797</td>
<td>13,463</td>
</tr>
<tr>
<td>Other Education</td>
<td>31,391</td>
<td>36,234</td>
<td>45,298</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,178,848</strong></td>
<td><strong>1,244,360</strong></td>
<td><strong>1,386,127</strong></td>
</tr>
</tbody>
</table>

**Transfers to Local Government**

In 2004-05 a number of transfers will impact on the Local Government Main Expenditure Group for 2004-05 and beyond. These include the transfer out of the settlement of the funding for the provision for nursing care to local authority supported residents to the NHS Directorate. Also the transfer out of elements of rent allowance subsidy and council tax benefit paid through the settlement. The funding of these benefits will become the full responsibility of the Department for Work and Pensions as part of their strategy of rationalising the benefits payments system. In addition the budget for Local Government will be altered in response to the emerging expenditure needs in local government and these will be covered in the Local Government Revenue Settlement, which will be progressed later in the financial year.

**Table 4: Local Government Main Expenditure Group 2003-04 to 2005-06 as published in 2002 Supplementary Budget**

<table>
<thead>
<tr>
<th>Expenditure Groups</th>
<th>2003-04 Published Plans 26/03/03</th>
<th>2004-05 Total</th>
<th>2005-06 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Authority Revenue</td>
<td>3,227,806</td>
<td>3,319,571</td>
<td>3,509,846</td>
</tr>
<tr>
<td>Non Domestic Rates Collection Costs</td>
<td>5,172</td>
<td>5,172</td>
<td>5,172</td>
</tr>
<tr>
<td>Valuation Office and Local Government Other Services</td>
<td>21,227</td>
<td>14,920</td>
<td>15,385</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,254,205</strong></td>
<td><strong>3,339,663</strong></td>
<td><strong>3,530,403</strong></td>
</tr>
</tbody>
</table>

*Source: Local Government and Public Services Committee paper, LGPS 02-03 (p.4).*

**Culture**

**Table 5: Culture Main Expenditure Group 2003/4 to 2005/6 as at Supplementary Budget stage March 2003 (Figures in £’000s)**

<table>
<thead>
<tr>
<th>Expenditure Groups</th>
<th>2003-04</th>
<th>2004-05</th>
<th>2005-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Museums and Galleries of Wales</td>
<td>21,224</td>
<td>21,578</td>
<td>21,659</td>
</tr>
<tr>
<td>National Library of Wales</td>
<td>11,497</td>
<td>11,529</td>
<td>11,593</td>
</tr>
<tr>
<td>Arts Council of Wales</td>
<td>2,154</td>
<td>2,154</td>
<td>2,154</td>
</tr>
<tr>
<td>Sports Council for Wales</td>
<td>2,650</td>
<td>2,720</td>
<td>2,868</td>
</tr>
<tr>
<td>Welsh Language</td>
<td>2,860</td>
<td>3,439</td>
<td>3,955</td>
</tr>
<tr>
<td>Other Arts and Libraries</td>
<td>1,695</td>
<td>1,048</td>
<td>1,053</td>
</tr>
<tr>
<td>Culture Fund</td>
<td>46,557</td>
<td>53,392</td>
<td>59,972</td>
</tr>
<tr>
<td>CADW</td>
<td>7,746</td>
<td>8,018</td>
<td>8,290</td>
</tr>
<tr>
<td>Commission on the Ancient and Historical Monuments in Wales</td>
<td>1,614</td>
<td>1,614</td>
<td>1,614</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>97,997</strong></td>
<td><strong>105,492</strong></td>
<td><strong>113,158</strong></td>
</tr>
</tbody>
</table>

*Source: Culture, Welsh Language and Sport Committee paper CWLS(2)-02-03(p.6) Initial Consideration of Budget priorities for Budget 2003 Planning Round.2 July 2003*
Note: Provision for the Wales Millennium Centre is contained in End Year Flexibility/Pressures monies. The Welsh Assembly Government has committed up to £37m to the project.

Environment, Planning and Countryside

Table 6: Environment, Planning and Countryside Budget Provisions*

<table>
<thead>
<tr>
<th>Expenditure Groups</th>
<th>2004-05 Plans (£’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>7,832</td>
</tr>
<tr>
<td>Flood and Coastal Protection</td>
<td>9,930</td>
</tr>
<tr>
<td>Other Environmental Services</td>
<td>1,737</td>
</tr>
<tr>
<td>Countryside Grants</td>
<td>2,042</td>
</tr>
<tr>
<td>National Parks</td>
<td>10,229</td>
</tr>
<tr>
<td>Countryside Council for Wales</td>
<td>41,876</td>
</tr>
<tr>
<td>Environment Agency</td>
<td>22,110</td>
</tr>
<tr>
<td>Waste Strategy</td>
<td>24,244</td>
</tr>
<tr>
<td>Habitats Regulations</td>
<td>1,155</td>
</tr>
<tr>
<td>Sustainable Development</td>
<td>932</td>
</tr>
<tr>
<td>Regeneration and Other local Services –General Capital Funding</td>
<td>18,324</td>
</tr>
<tr>
<td>Market Support Schemes</td>
<td>151,906</td>
</tr>
<tr>
<td>Tir Mynydd</td>
<td>36,000</td>
</tr>
<tr>
<td>Rural Development Plan/ Structural Funds Programme</td>
<td>41,021</td>
</tr>
<tr>
<td>Rural Policy Division</td>
<td>4,051</td>
</tr>
<tr>
<td>Food and Farming Development</td>
<td>2,489</td>
</tr>
<tr>
<td>Rural Development Programme</td>
<td>1,365</td>
</tr>
<tr>
<td>Animal Health</td>
<td>8,999</td>
</tr>
<tr>
<td>Agriculture and Fisheries Policy</td>
<td>3,379</td>
</tr>
<tr>
<td>Other Agricultural Services</td>
<td>1,411</td>
</tr>
<tr>
<td>Plant Health Services</td>
<td>257</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>391,289</strong></td>
</tr>
</tbody>
</table>

*Source: Environment, Planning and Countryside Committee paper EPC02-03 Budget Priorities – Annex 2. 25 June 2003

Economic Development

Here priorities have not changed with the Economic Development and Transport Committee acknowledging that significant new spending commitments will not emerge until after the 2005-06 financial year. Responsibilities for Creating Stronger Communities have been transferred to the Social Justice Minister.
**Presiding Office Budget**

Table 7: Presiding Office Budget for 2004-05 and Indicative Budgets for 2005-06 and 2006-07

<table>
<thead>
<tr>
<th>EXPENDITURE GROUPS</th>
<th>2004/5</th>
<th>2005/6</th>
<th>2006/7</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEG PRESIDING OFFICE</td>
<td>As approved on 25 March 2003</td>
<td>Indicative budget as approved on 25 March 2003</td>
<td>Indicative budget</td>
</tr>
<tr>
<td>BEL Presiding Office - Staff Costs</td>
<td>£8,220,000</td>
<td>£8,426,000</td>
<td>£8,426,000</td>
</tr>
<tr>
<td>BEL Members Pay and Allowances</td>
<td>£10,175,000</td>
<td>£10,429,000</td>
<td>£10,429,000</td>
</tr>
<tr>
<td>SEG Members and Officials Pay and Allowances</td>
<td>£18,395,000</td>
<td>£18,855,000</td>
<td>£18,855,000</td>
</tr>
<tr>
<td>BEL General Administrative Expenditure - Current</td>
<td>£8,082,000</td>
<td>£8,284,000</td>
<td>£8,284,000</td>
</tr>
<tr>
<td>BEL Assembly Costs - Capital</td>
<td>£20,000</td>
<td>£20,000</td>
<td>£20,000</td>
</tr>
<tr>
<td>BEL Cost Of Capital &amp; Depreciation Costs</td>
<td>£129,000</td>
<td>£129,000</td>
<td>£129,000</td>
</tr>
<tr>
<td>SEG Presiding Office General Administrative Expenditure</td>
<td>£8,231,000</td>
<td>£8,433,000</td>
<td>£8,433,000</td>
</tr>
<tr>
<td>MEG TOTALS</td>
<td>£26,626,000</td>
<td>£27,288,000</td>
<td>£27,288,000</td>
</tr>
</tbody>
</table>
4. POLICY DEVELOPMENT

Jessica Mugaseth, IWA

Health

The Welsh Assembly Government launched a Healthy and Active Lifestyles Action Plan, a blueprint for a more active Wales. The plan aims to encourage the most sedentary groups to become more active and has four main objectives:

- Develop national and local partnerships and strategies to increase physical activity through active living
- Ensure that public health, primary care and sport development professionals have the skills and knowledge to promote active living
- Increase public knowledge of the health benefits of physical activity and the wide range of opportunities available, and
- Reduce the barriers to active living.\(^{81}\)

As part of the Plan, the Minister for Health, Jane Hutt, announced funding of £500,000 to boost healthy eating and physical activity in Wales. The Food and Fitness Health Promotion Grant Scheme offers community and voluntary groups up to £75,000 over the next two and half years to promote lifestyle projects for children, young people and the elderly. There will be two types of grants available – local authorities, local health boards and voluntary community sectors organisations in Wales will be able to bid for funds of £25,000 a year for a maximum of three years, while smaller youth and community groups can win £5,000 grants.\(^{82}\)

The importance of information technology in the development of an improved healthcare system has also been recognised by the Welsh Assembly Government. Jane Hutt announced the Government’s strategy, Informing Healthcare, to support the modernisation of health services in Wales using information and communication technology. The development of the strategy will enable both health professionals and patients to have comprehensive and up-to-date information about a patient’s condition and history at every consultation, regardless of location.

Guidance on the quality of care people may expect from health and social care providers in Wales was published to ensure standards are consistent across the country. Fundamentals of Care, consists of twelve fundamentals on what to expect in the home, care home, hospital or any environment in which adults receive care:

- Communication and information
- Respecting people
- Ensuring safety
- Promoting independence
- Relationships
- Rest and sleep
- Ensuring comfort, alleviating pain

\(^{82}\) Western Mail 16 July 2003.
• Personal hygiene, appearance and foot care
• Eating and drinking
• Oral health and hygiene
• Toilet needs
• Preventing pressure sores

A new Complaints Advocacy Service has been launched to help people pursue complaints against the NHS. The Service will provide independent advice and support anyone wanting compensation from the NHS in Wales.

Following recommendations from the Review of Prescribing, Supply and Administration of Medicines published in 1999, the Welsh Assembly Government has provided £0.5 million to train around 250 nurses and pharmacists to prescribe medicine throughout Wales. Doctors will continue to be responsible for diagnosing a patient’s condition but patients on long term medication for conditions such as asthma, coronary heart disease, diabetes, high blood pressure and arthritis, may agree to have their medication prescribed by a nurse or pharmacist working in partnership with the patient’s doctor. Details of the medication and when a nurse or pharmacist may prescribe for a particular patient will be set out in a Clinical Management Plan agreed by the doctor, supplementary prescriber and the patient.

The Health and Social Services Committee have highlighted four possible subjects for policy review in the second term of the Nation Assembly, these include:

• Fluoridation of water
• Health aspects of GM foods
• Role and remit of a Commissioner for Older People
• Hospital catering, for example dietary and nutritional value in contributing to recovery and healthy living

**Education and Lifelong Learning**

A committee has been established to look at the assessment and testing options for children at key stages two and three in Wales. Professor Richard Daugherty of the University of Wales, Aberystwyth will chair the panel of education experts who will examine the case for abolishing these Standard Assessment Tests (SATs) in Wales. The committee will produce a consultation paper next year which will use international standard criteria to come to its judgement.

In its discussion on future policy review, the Education and Lifelong Learning Committee resolved to undertake a policy review on Special Educational Needs. This would begin in the autumn term with a consultation period taking place during summer recess. Four possible areas to be looked at were mooted:

• Early identification/intervention;
• Transition between primary and secondary school;
• Welsh-medium provision; and
• Issues raised in a recent report by the Audit Commission report ‘Statutory Assessment and Statements of SEN: in need of review?’

In addition the Committee also agreed that the matter of school transport was a potential issue to be examined.

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**Economic Development and Transport**

After a lengthy bidding process and fierce competition from three other bidders\(^{83}\), Arriva won the all-Wales rail franchise commissioned by the Strategic Rail Authority. The 15 year franchise includes a number of innovative plans including:

- Thirty new bus/rail integrated ticketing schemes (North and Mid Wales) within two years.
- Current timetable safeguarded.
- Replacement of Valley Lines locomotive hauled stock with 7xClass 150 Sprinter Units by December 2004.
- Welsh language customer service phone line, bilingual signage and recorded station announcements.
- Improving station car parks at Cardiff Central and Newport as well as Chester, Hereford and Shrewsbury.

The 15 year contract, with five year performance review assessments, will cover all local and regional services in Wales. It will include services from Wales to Birmingham, North-west England and the West Country, and from Cardiff to Hereford, Shrewsbury and Manchester. It does not include the mainline Paddington-West Wales and Euston-Holyhead services.\(^{84}\)

Construction work will begin shortly on a two-year project to improve road links between North Wales and the North of England. Minister for Economic Development and Transport, Andrew Davies, announced the award of a £14.5 million contract to Balfour Beatty Civil Engineering to design and build the A494-A550 Deeside Park to Drome Corner scheme.

A Regional Selective Assistance grant of £750,000 from the Welsh Assembly Government has meant that more than 120 new jobs are to be created at an expanding publishing business in Pembrokeshire. ‘Friday-Ad’, the company which prints, publishes and distributes the local adverts-only paper in the UK, will create the new jobs at the Cleddau Centre, Pembroke Dock. The move means that both buildings at the site, formerly the ITV Digital call centre, will return to use just over a year after 900 jobs were lost at the site.

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\(^{83}\) GB Railways PLC/ Connex Transport UK Limited, National Express Group PLC and Serco Rail/ Netherlands Railways.
\(^{84}\) Assembly Government Press Release 1st August 2003
Culture, Sport and the Welsh Language

Following successful pilot projects throughout the Easter school holidays, the Welsh Assembly Government announced its commitment to free access to leisure centre swimming pools for children and young people throughout the school summer holidays. Funding of £2.5 million is being provided in the financial year 2003/04 so every child up to 16 in Wales will be able to swim without charge in the school holidays this summer.

Free swimming for children is part of the draft Sports Strategy, Climbing Higher, launched in July. The Sports Strategy is a 20-year plan, that aims to tackle inactivity levels by putting sport, active recreation and physical activity at the heart of Welsh life. The strategy, which will go out to consultation until autumn highlights nineteen key aims for sport and active recreation to be met by 2023. These include:

- All children of primary school age will participate in at least moderate-intensity physical activity for 60 minutes, five times a week.
- 90 per cent of children of secondary school age will participate in at least moderate-intensity physical activity for 60 minutes, five times a week.
- Sports and active recreation industries will support a further 12,000 jobs in Wales.
- Black and ethnic minorities will participate, and be fully represented, in all aspects of sport and active recreation in Wales.\(^\text{85}\)

In its Forward Work Plan, the Culture, Sport and Welsh Language committee proposed two major review topics from the following policy areas:

- Provision of English-medium books on Welsh culture and writing.
- The contribution of art and sport to community regeneration.

In addition, depending on time, consideration will be given to reviews of the following topics:

- Support for the craft industry (in liaison with Economic Development and Transport Committee as appropriate).
- Mechanisms for recognising and celebrating cultural and sporting achievements.

Social Justice

The National Strategy to tackle homelessness in Wales was formerly adopted by the National Assembly in April this year and its remit now falls under the new portfolio of Social Justice and Regeneration. The strategy aims to eliminate the need for anyone to sleep rough in Wales and is supported by the homelessness grant

\(^{85}\) Assembly Government Press Release, 28 July 2003
programme which funds a range of projects including night shelters, outreach support and day service for homeless people.

The aim of the Fuel Poverty Commitment which was launched in March this year, is to eradicate fuel poverty among vulnerable households as far is practicable, by 2010. It includes a further commitment to ensure that no household in Wales should live in fuel poverty by 2018. In addition, the Assembly will establish a Wales Fuel Poverty Advisory Group of organisations and individuals active in the field, who will be responsible for overseeing the work under the Commitment and considering what future action is needed to meet the Assembly’s fuel poverty objectives.

In its Forward Work Plan the Social Justice and Regeneration committee agreed to look at the housing needs of older people as part of the debate being conducted in accordance with the Welsh Assembly Government’s “Strategy for Older People in Wales”. It will also prioritise other housing issues that have been identified in the Welsh Assembly Government’s Housing strategy; including those associated with homelessness and the ageing housing stock. Additionally, the committee also aims to investigate:

- The development and implementation of a strategy to tackle substance abuse;
- The continued development and implementation of the Communities First Programme;
- How to contribute to the development of a national strategy on domestic violence and abuse

**Environment, Planning and Countryside**

Innovative draft planning advice has been devised to provide clarity for local planning authorities when considering development in areas a risk of flooding. Technical Advice Note (Wales) 15 Development and Flood risk (TAN15) provides the technical planning advice which supplements the policy set out in Planning Policy Wales (PPW). It gives guidance to local planning authorities on how they should approach the preparation of unitary development plans and take planning decisions in relation to development and flood risk. An integral part of the document is a set of planning maps, which enable different planning actions to be attributed to particular locations.

A major consultation on the way environmental issues are tackled on Welsh farms, and the payments which could be available to farmers to take an environmentally sustainable approach to the way they farm was launched by Minister for Environment, Planning and the Countryside, Carwyn Jones. ‘Welsh Farming and the Environment: Consultation on a New Approach’ contains broad outlines for the design and structure of a new agri-environment framework for Wales.

Under the ministerial leadership of Carwyn Jones, the Committee for Environment Planning and the Countryside have set out three main areas of policy to be examined:
• Planning aspects of affordable housing and sustainable communities in rural Wales.
• Progress towards meeting the 2003-04 targets of the waste strategy *Wise About Waste*.
• The marine environment.

The Committee will keep developments in the following areas under review, and may also undertake inquiries into one or more topics in greater depth:

• Bovine tuberculosis;
• Disposal of fallen stock;
• Fisheries strategy;
• Flood defence arrangements;
• Forest re-design project;
• Planning issues associated with siting of mobile phone masts;
• Policy on Genetically Modified Organisms;
• Restriction of animal movements and impact on viability of livestock markets.
5. THE LEGISLATIVE PROCESS
   Sarah Beasley, Cardiff Law School

Bills Conferring Functions on the National Assembly

Draft Civil Contingencies Bill

The Draft Civil Contingencies Bill was published on 19 June 2003, its purpose:

“(…) to deliver a single framework for civil protection in the United Kingdom. This is a key element of the Government’s work to enhance [the UK’s] resilience to disruptive challenge. Disruptive challenges exist along a spectrum of severity ranging from local flooding to massive terrorist attack.”

The Bill makes provision for the devolved administrations to play a role in the delivery of civil protection afforded by it, but the proposals contained in the document have differing territorial extents. Those relating to local responders would apply to England and Wales only, while those on Emergency Powers would apply throughout the UK.

In relation to the categorisation of local responders, the Bill provides for the Welsh Assembly Government, as appropriate, to co-operate with, be consulted on or take responsibility for delivery of the framework alongside the UK Government. The Emergency Powers part of the Bill similarly applying to Wales specifies that the National Assembly, not just the Welsh Assembly Government, be consulted, where possible, in advance of the use of special legislative measures affecting Wales.

The Government is also said to be considering whether each of the devolved administrations should be able to make a declaration of the need for special legislative measures, and to take measures so far as they are within their competence.

If there were support and a strong practical case for such a provision, the Bill could potentially provide for each of the devolved administrations to declare that a situation or event constituted an emergency and that special legislative measures were necessary. Just as with the UK mechanism, it would then be possible for the devolved administration to make emergency regulations. The scope of these regulations would however be constrained by the competence of each administration – they would not be able to act in a way inconsistent with the devolution settlement. A direct consequence of this would be a different degree of freedom of action for each of the administrations.

In any emergency requiring special legislative measures that went beyond the competence of a devolved administration, or if a UK-declared state of emergency was

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86 As per the Consultation document issued by the Cabinet Office in June 2003, Cm 5843.
applied, the UK regulations would supersede any regulations made by a devolved administration.

Of particular interest to Wales is clause 12 of the draft Bill, which requires the Minister to consult the National Assembly or obtain its consent in certain circumstances before making certain secondary legislation or issuing guidance under the Bill that relates to Wales or certain Welsh organisations. Provision is made for these requirements to be disapplied in specific circumstances for reasons of urgency.

Work on this Bill is currently being taken forward by the Civil Contingencies Secretariat of the Cabinet Office. This secretariat will report to the Joint Committee on the Draft Civil Contingencies Bill - a committee established by the two Houses of Parliament. The Committee will consider the draft Bill and publish a report making recommendations, to be responded to by the UK Government, by 30 November 2003.

**Draft Housing Bill**

This was published on 31 March 2003 by the Office of the Deputy Prime Minister (ODPM). There followed a 10-week consultation period, which ended on 9 June, and the Bill is now being considered by the Committee of the Office of the Deputy Prime Minister. This is a select committee established in July 2002 to examine the work, expenditure, administration and policies of the ODPM.

The draft Bill has seven principal elements, including providing a discretionary power for Local Authorities to license private landlords to ensure minimum standards are met. The most significant proposal as regards Wales is contained in Part 6 of the Bill: “Other provisions about Housing”. Here, clause 157, together with Schedule 8 of the draft Bill, extends the role of the Commissioner for Local Administration in Wales (CLAW) by including in his remit the power to investigate complaints against registered social landlords (RSLs) in Wales.

This dual role of CLAW and ‘Social Housing Ombudsman for Wales’ would provide an independent means of investigating complaints against RSLs, a task which is currently undertaken by the National Assembly for Wales.

The Bill also provides for the provisions relating to the Social Housing Ombudsman for Wales to be commenced by order of the National Assembly for Wales.

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87 Cm 5793
88 which inserts a new subsection 7 after section 51(6) of the Housing Act 1996, and new subsections 51A, 51B and 51C
Health and Social Care (Community Health and Standards) Bill

Following the Assembly elections in May of this year, the newly constituted Assembly Health and Social Services Committee met on 11 June 2003 to consider the impact of the Bill. There were several main points of clarification and amendment suggested by the Members of the Committee.

In Part 1 of the Bill – ‘NHS Foundation Trusts’ – the Committee expressed the need for further clarification as to the ability and necessity of Welsh patients to access health services provided by the proposed NHS Foundation Trusts. Additional further clarification was sought with regard to the accountability of the proposed NHS Foundation Trusts to provide health services to Welsh patients. It was also decided that further information was needed in relation to the financial powers and staff employment powers of the proposed NHS Foundation Hospitals, and how this might affect NHS staff working or training in Wales.

Resulting from this, the Conservative party suggested that Part 1 of the Bill be amended to allow for the establishment of NHS foundation trusts in Wales.

In Part 2 of the Bill – ‘Standards’ - amendments suggested by the Committee in relation to the provisions for Regulatory Bodies included:

- To insert new clause 37 and re-number other following clauses accordingly:
  - The Assembly may by regulations make provision for the establishment: of a body, or bodies, for (i) healthcare audit (ii) and healthcare inspection.
- To amend Part 2 of the Bill to allow the Commission for Healthcare Audit and Inspection (CHAI) to undertake responsibilities in Wales as in England. The Bill should allow the Assembly to commission the CHAI to undertake reviews of individual NHS bodies as well as providing for the CHAI to do so independently. Under clause 52 the CHAI has the power to initiate reviews into overall provision of particular kinds of healthcare, but not individual Welsh NHS bodies.
- To delete sub-section (2) of clause 123. This would remove the right of the Assembly to force an inquiry, undertaken by the CHAI, to be held in private.
- To delete sub-section (2) of clause 131. Clause 131 allows the Assembly to undertake inquiries into its own responsibilities in the exercise of its functions under chapter 4 (CHAI equivalent functions) and chapter 6 (Commission for Social Care Inspection equivalent functions). This amendment would remove the Assembly’s role in determining whether such an inquiry should be held in private, allowing the person undertaking the inquiry to decide.
- Where the person undertaking a review under clause 131 decides not to publish the report there should be some mechanism for scrutiny. Assuming the Minister would see the report, as the Assembly would have commissioned the review in the first place, then the report should be examined independently.

Having made these recommendations, the Chair of the Committee will now formally write to the Minister requesting that she considers these amendments recommended by the Committee and passes them to the Secretary of State.
Draft Public Audit (Wales) Bill

Following the commitment made by central government that the Assembly would have the opportunity to scrutinise the draft Public Audit (Wales) Bill, and as the proposals contained in this bill impact on several of the Assembly subject committee portfolios, an ad-hoc committee of five cross party AMs was established following the Assembly elections in May. The committee’s terms of reference were to:

- Scrutinise the provisions of the draft Bill.
- Take written or oral evidence from any parties the Committee considered would assist their consideration.
- Report to the Assembly by 18 July on any amendments that the Committee recommends should be made to the draft Bill.

The Committee met on two occasions during July and received oral submissions from:

- The Auditor General for Wales
- The Audit Commission in Wales
- The Welsh Local Government Association
- The Director, NHS Wales
- Representatives of the trade unions

The Committee was also able to share the representations received by Sue Essex, the Assembly Minister for Finance, Local Government and Public Services, in response to consultation, and the evidence received by the Select Committee on Welsh Affairs, chaired by Martyn Jones MP.

The final report of the Committee, laid on 22 July 2003, is due to be debated in plenary when the Assembly reconvenes following the summer recess. The report recommended seven amendments to the draft bill:

i. The Bill should amend s90 of the Government of Wales Act 1998 to provide that the Auditor General for Wales should be appointed after consultation with the National Assembly for Wales. The amendment should include the provision that the Assembly debate the appointment on a motion proposed by the First Minister and agreed with the Chair of the Audit Committee.

   This recommendation was made following the agreement by Members that a Crown appointment would be the most effective means of ensuring the independence of the Auditor General. However, Members felt that in line with the Assembly’s commitment to transparent government, it should be given the opportunity to debate the suitability of the Government’s nominee.

ii. The provisions of Clause 11 should be extended to enable the Auditor General to track public money passing from local government to end users, such as contractors and grant recipients, to ensure that it has been properly and appropriately spent.

   The Committee felt this amendment was necessary in order to bring local government audit in line with the arrangements proposed for centrally funded bodies.
iii. Clause 16 should be amended to require that the Code of Practice prepared or revised under Clause 16(1) should be debated by the National Assembly.

iv. Clause 50 should be deleted.
Again, following the Assembly’s commitment to openness in government, it was felt that the protection afforded to local government under Clause 50 would inhibit transparency and be lacking parity with that given to other public sector bodies.

v. Schedule 3 para. 3 should be strengthened to protect the pension rights of the staff of both organisations.

vi. Schedule 3 para. 4 should be amended to give staff the option of remaining with their current employer, without detriment to their current terms and conditions of service, after the transfer date.
This recommendation was made following concerns expressed by the unions.

vii. Terminology in the Bill should be gender neutral.
This amendment was added because the Committee felt that as the bill applies only to Wales, the terminology should reflect the policy of the National Assembly on equality and be phrased in gender neutral terms.

Other issues raised by the Committee were:

- Arguments put forward in favour of an advisory body, but concluded such a body could undermine the Auditor General’s independence and his relationship with the Audit Committee of the National Assembly.
- Advantages of amending the bill to require clearance of Draft Reports on Local Government. However, due to concerns about possible delays to publication of such reports, they did not recommend this be taken forward.
- Although outside its remit the Committee recommended that the running costs of the new organisation should be monitored closely and steps taken to ensure that there were not significant, consequential costs to local government.
- There were also a number of technical drafting points raised in the Audit Commission’s supplementary written submission of 9 July, which the Committee recommended be considered by the Government in the final drafting of the bill.

This draft Bill has also been considered by the Welsh Affairs Select Committee which, whilst supporting the creation of a Welsh Administration Ombudsman headed by the Auditor General for Wales, recommended several amendments to the draft Bill. In line with the Assembly recommendations, the Welsh Affairs Committee also recommended that Clause 50 should be deleted from the draft Bill. They also agreed with the Assembly’s view that the Bill be amended so that the Clause 11 access rights apply across central and local government in Wales, making Welsh audit a beacon of good audit practice. In addition, they recommended:

- consideration of a wide statutory duty on the Auditor General to have regard to the views of all appropriate professionals and relevant stakeholders on his forward programme for local government economy, efficiency and effectiveness audits, and indeed on wider issues in local audit.
- consideration of a general statutory duty on the Auditor General to promote cross-border studies, including co-operation with the other devolved
institutions and their public audit authorities; and to consult those bodies, in particular the Comptroller and Auditor General and the Audit Commission, when drawing up forward work programmes.

The Committee also made the following observations:

- “We have to express some concern that there is as yet no realistic published estimate of set-up costs, nor of recurrent costs or savings, arising from the proposed establishment of the Wales Audit Office: this would seem to be exactly the sort of failing for which auditors are rightly swift to criticise other organisations. We hope that the House, and of course the Assembly, is given a clearer idea of costs when the Bill is introduced in the autumn, and that the Assembly might pursue this point in its forthcoming scrutiny of the Bill.
- “We find it rather disappointing that the opportunity - one not likely to recur for some years - has not been taken to make the new arrangements for Welsh local government and NHS audit better than that elsewhere in the United Kingdom, rather than no worse. It is not too late. We hope that our colleagues in the National Assembly will take the opportunity to put forward ideas as to how to produce something better than the status quo.”

**Local Government Bill**

The Local Government Bill is currently being considered by the House of Lords. The timetable for enactment has slipped from July and it is now expected to receive Royal Assent in September. There are a number of clauses in the Bill that will have an impact on local authorities in Wales including some Wales only clauses. Some of the key elements that have financial implications are:

- A Wales only clause in the Bill which when passed will allow Wales to produce two separate local government finance reports each year, one for police authorities in Wales and one for the rest of local government:
- Prudential borrowing;
- Removal of rent rebates from the Housing Revenue Account;
- Provision to enable the existing set-aside of housing capital receipts to be abolished;
- Enable a housing capital receipts pooling system to be set up;
- Council tax discounts on second and empty homes;
- Local authority growth incentive scheme;
- Business improvement districts
- New mechanism for paying grants (expenditure grants).

**New Government White Papers Affecting the Functions of the National Assembly**

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**Genetics White Paper**

The Department of Health White Paper published on 24 June 2003 sets out the Government's commitment to developing genetics knowledge, skills and provision within the NHS by investing more than £50 million over the next three years. The White Paper, *Our Inheritance, Our Future - Realising the potential of genetics in the NHS*, sets out the safeguards and controls against inappropriate or unsafe use of developments in genetics.

This Bill has implications for the National Assembly. Annex A makes provision for genetics services in Scotland, Wales and Northern Ireland. The White Paper acknowledges Wales’ international reputation for the quality and delivery of its Medical Genetics Service. The White Paper details a comprehensive Review which has been undertaken to identify the issues arising from the world-wide rapid scientific developments being faced by Medical Genetics Services and what this means to the people of Wales. The Review identifies what is needed to provide the best possible service for people in Wales and to keep Wales in the forefront of developments.

It also states that the Welsh Assembly Government has provided an additional recurring investment of £1.5 million to develop the future of Medical Genetics Services in Wales and will consider the implications of this White Paper alongside the outcome of the Review in taking that development forward. This plan will be reviewed in three years time.

**Fire Service White Paper**

Published by the Office of the Deputy Prime Minister in June 2003, the White Paper, *Our Fire and Rescue Service*, provides for the “need to refocus the fire service to concentrate on preventing fires in the first place, and on dealing with fires, environmental challenges and the growing threat of terrorism in a flexible and efficient way. (...) This is reflected in the re-naming of the service as 'The Fire and Rescue Service'.”

The White Paper makes specific provision for the devolved administrations. It acknowledges that under the Welsh devolution settlement in July 1999 most aspects of fire policy remained a UK government responsibility. However, the Independent Review of the Fire Service, chaired by Sir George Bain, recommended that fire policy should be devolved to Wales and this is what is proposed in the Fire Service White Paper. The Bain Review accepted that devolving responsibility for the fire service to the Assembly would create a single line of responsibility for the fire authorities and contribute to the effective management, planning, and delivery of fire services in Wales. Assembly Minister for Social Justice and Regeneration, Edwina Hart stated that

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89 Cm 5791  
90 Cm 5808
“The Welsh Assembly Government does not have any plans to change the existing structure of fire authorities. I believe that there is a strong case for stability. The number of fire authorities was reduced from eight to three only seven years ago. Devolution will allow us to increase the collaboration between fire authorities, local authorities and other emergency services in Wales.”

She went on to say that:

“Over the summer, Ministers and officials will discuss with the UK Government the detailed arrangements for the transfer of responsibility for the fire service. I hope that the new arrangements will come into effect next year. This reflects a pragmatic approach to devolution, when powers are transferred for a purpose, on the basis of evidence that the delivery of services will be improved by devolution.”

**New Functions For the National Assembly**

**Administration of the Rent Officer Service (Wales) Order 2003**

This Order provides for the appointment, remuneration and administration of rent officers in Wales to be functions of the National Assembly for Wales rather than of local authorities. It was made by exercising the power under section 64B of the Rent Act 1977, and took effect on 1 June 2003.
6. RELATIONS WITH LOCAL GOVERNMENT

Jessica Mugaseth, IWA

Assembly ‘not ready for more powers’

The Assembly has not won the battle for the ‘hearts and minds’ of the voters declared Cardiff County Council leader Russell Goodway in evidence to the Richard Commission on behalf of the Welsh Local Government Association. Consequently, it should not be handed extra powers:

“If devolution is going to mean anything at all the people of Wales need to have confidence in their Assembly … They have more confidence in local authorities for delivery than in the National Assembly … the debate we are having today is premature because the people are not there yet; they really are not”.

Although Russell Goodway said that his evidence represented the views of the Association, the meeting was interrupted on several occasions by a Plaid Cymru WLGA representative, Caerphilly councillor Colin Mann. He argued that the current position was a

‘… mess which lacks clarity and co-ordination … in order for it to be effective the Assembly should have the same powers as the Scottish Parliament.”

Community Councils

A team at the University of Wales, Aberystwyth, published an Assembly Government commissioned research paper into the functions and future potential of community councils in Wales. The project specification directed the study:

“… to examine the geographical extent, representation, operation and functions of community and town councils in Wales and their interaction with other bodies and to assess the factors relevant to their development, with particular reference to their potential to increase democratic involvement, engage with policy development at strategic levels, bring decision-making and service delivery closer to people and promote the well-being of local communities.”

The report made over 70 recommendations into the development of Community and Town councils with the central objective that future policy should be ensure that all

93 Western Mail, 11 July 2003
94 Strategy Wales briefing paper of Richard Commission, 10 July 2003
95 Research Study into the Role, Functions and Future potential of community and Town Councils in Wales, University of Wales, Aberystwyth Institute of Geography and Earth Sciences, May 2003
96 Ibid
communities in Wales are able to benefit from strong local level-council representation. The recommendations have three broad objectives:

- To professionalise the conduct of government by Community and Town Councils.
- To formalise relationships between Community and Town Councils and other bodies, including the 22 county councils and the Assembly Government.
- To encourage and support all Community and Town Councils to take advantage of the opportunities open to them.

The second objective has been recognised in the signing of a Protocol to establish a new One Voice Wales : Un Llais Cymru body to provide a single voice for the 738 town and community councils across Wales. At present, town and community councils are aligned to one or more of four Associations – the Wales Association of Community and Town Councils; National [England and Wales]Association of Local Councils (Wales); North Wales Association of Town Councils; and the Association of Larger Local Councils. It is hoped that ‘One Voice Wales’ will enhance co-operation and co-ordination amongst this tier of local government.

**Education Funding**

Local schools budgets in Wales will increase by £149 million (9.7 per cent) to £1,645 million in the 2003-04 financial year. Despite these increases there is still a significant difference between the spending per pupil between local authorities. While children in Ceredigion will have an average of £3,108 spent on their primary schooling per year, and £3,773 in secondary schools, in Flintshire the respective figures are £2,225 and £3,039.97

The Education Minister is currently driving forward plans to establish school budget forums. The forums will enable greater transparency and certainty in the annual budget process for schools and allow better communication between local authorities and their schools about funding needs and budget setting. The establishment of schools budget forums will allow informed and structured debate to take place, with the local authority having to consider the outcomes. It is hoped that the forums will be in place by 30 November in time to consider budgets for 2004-05. Subject to Assembly approval, the regulations will need to come into force by 1 November.

**New Powers on Fly-tipping**

Local Authorities in Wales have gained more powers to track down and prosecute fly-tippers. An amendment to current regulations will extend existing Environment Agency powers to local authorities. Local authorities can now serve a notice on a business to require their duty of care documents (descriptions of waste and transfer

97 Report on budgets set by local authorities for education services in 2003-04, July 2003
notes) to check whether businesses are transferring their waste in accordance with the law. The new powers will allow local authorities to check whether waste is being managed properly and disposed safely. Businesses that do not have the correct arrangement in place are liable to prosecution. Currently fly tipping carries an unlimited fine and a two year prison sentence.98

**Unspent Community Funds**

Cardiff County Council has been criticised for failing to spend more than £300,000 it has been allocated through the Communities First fund. The Council was awarded £318,632.30 for 2002/03 and £408, 790 for 2003/4 but to date has spent only £16,525 of its 2003/4 allocation. Plaid Cymru AM Owen John Thomas commented:

“This is a total disgrace and a betrayal of the communities of Butetown, Caerau, Ely and Splott for whom the money was intended … there must be a full investigation to see what has gone wrong”.

In its defence the council gave two reasons for the statistics:

“First, ‘allocated’ or ‘awarded’ money does not mean ‘received money. The fully documented and audited fact is that no Communities First money received by Cardiff Council before the start of this financial year remains unspent and, with the current quarterly form on its way to the Assembly, we are 100% up to date with any claims … second, the majority of the sum approved 2002/3 related to staffing a unit that was not established pending further negotiations with the Assembly about maximising the benefits and cost effectiveness of Communities First in Cardiff.”99

**Review of Political Management Structures**

The Local Government and Public Services committee will carry out an inquiry into the operation of the new political management structures in local government in Wales. The review, to be completed next year will be based on evidence given by local councils and other bodies, such as the Welsh Local Government Association. Terms of reference of the inquiry are:

“To consider the operation in Wales of the new political management structures introduced by the Local Government Act 2000, their success in delivering more transparent, efficient and accountable decision-making and to make recommendations to encourage the development of good practice.”100

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99 Western Mail, 3 July 2003
100 Presiding Office Press Release, 24 July 2003
The Committee will focus on evidence and examples of current practice in the following areas:

- How the introduction of executive governance has affected lines of accountability and the efficiency, transparency and openness of decision-making in local government;
- How overview and scrutiny committees have held the executive to account and contributed to the process of policy development;
- How the role of ‘backbench’ councillors has altered and developed; and
- How the new arrangements have opened up the decision-making process to the general public and established clear accountability for decisions in the minds of voters.\(^{101}\)

**Severance Payments**

Veteran councillors will be eligible to a one-off severance payment of £20,000 in an attempt to attract new representatives to participate in local government. Members who retire next year and have served at least 16 years in local government will get £1,000 for every year served to a maximum of £20,000. The proposals aim to recognise the contribution of councillors in Wales, while at the same time encourage new candidates to come forward.

**New Chief Executives for Merthyr and Swansea**

A Scotsman, currently working as head of business services at Northamptonshire County Council has been appointed chief executive of Merthyr Tydfil Council. Alistair Neill will start his new job in September as the highest paid council chief executive, of the smallest authority, in Wales. His salary of £120,000 is £20,000 more than the advertised rate and at least £30,000 more than that of the previous incumbent Garry Meredith. Mr Neill hopes to implement strategic changes in Merthyr similar to those said to have already improved the efficiency of council operations in Northants.\(^{102}\)

Meanwhile, Tim Thorogood has been appointed as chief executive to the City and County of Swansea. At 41, he is the youngest chief executive the council has seen and has come with a five-year plan. He said:

“I have set this target of top performance by 2007/08 so I have a five year programme to improve the way the Council works and take forward its

\(^{101}\) *Ibid.*

\(^{102}\) *Western Mail,* 28 June 2003
economic development … then we will have to see how the world looks at that time.”103

Single Transferable Voting Rejected

Despite the recommendations of the Sutherland Commission, which was set up to examine the electoral arrangements of local government, that single transferable voting should be introduced for local government polls, Finance Minister Sue Essex announced that she would not be adopting the recommendation. Mrs Essex said change would create far larger wards and weaken the link between councillors and voters.104

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103 Western Mail, 12 July 2003
104 Western Mail, 17 July 2003
New Department of Constitutional Affairs

As part of the June UK Cabinet reshuffle, the Prime Minister announced the creation of a new Department for Constitutional Affairs. The department incorporates most of the responsibilities of the former Lord Chancellor’s Department, but with new arrangements for judicial appointments and an end to the previous role of the Lord Chancellor as a judge and speaker of the House of Lords, effectively altering the relationship between the executive, legislature and judiciary. The department is headed by Lord Falconer, who will operate as a conventional Cabinet Minister and head of department.

The reform will see the establishment of an independent Judicial Appointments Commission, on a statutory basis, to recommend candidates for appointment as judges. There will also be the appointment of a new Supreme Court to replace the existing system of Law Lords operating as a Committee of the House of Lords. The post of Speaker of the House of Lords will also be reformed so that the new Speaker will not be a Minister.

Dispute over Distribution of European Funds

At its June meeting the Assembly European and External Affairs Committee received a presentation from the Department of Trade and Industry on the UK Government’s consultation on the reform of European structural funds. The consultation, issued in March with a deadline of 4 July, was designed to influence the UK Government’s position during European discussions on the future of structural funds.105

The DTI stated that the enlargement of the European Union to 25 members would necessitate a change in the current structural fund programme when it comes to an end in 2006. As all the new entrants have an average GDP per capita below the current EU average, statistically the average GDP for the EU will be much lower. As a result, according to current European Commission data, West Wales and the Valleys would therefore no longer qualify for Objective 1 status, because they would no longer have a GDP of 75 percent or less lower than the EU average.

One option for change that has already been put forward by the Dutch Government is for regional policy to be “re-nationalised”. The UK Government’s current position is for a hybrid solution, with an EU framework for devolved regional policy. As a result, richer member states would use national policies and national funding to address EU principles, and poorer member states would use a mix of national and EU policies and funding to address EU principles. The consultation document contains the following commitment:

105 A Modern Regional Policy for the UK, HMS Treasury, DTI, ODPM, March 2003
“The UK Government has given the guarantee that by increasing spending on regional policy, UK nations and regions receive a level of funding which ensures they do not lose out from the UK’s proposals on Structural Fund reform, for example from transitional funding they would have automatically received from the application of the eligibility criteria to EU25 from EU15. We would commit to ensuring that nations and regions have sufficient resources to continue to be able to promote regional productivity and employment from increased domestic spending on regional policy, targeted on those areas of high unemployment and low GDP.”

The Assembly’s joint meeting, however, expressed four key concerns about the proposals:

- Concern about the security of the programme: even if funding was over three or five years, it would still be at risk from political factors such as change of policy or change of government, in contrast to the seven year programmes guaranteed under the EU system.
- There would be questions about who would develop regional policy in practice under the proposed arrangement and concerns about whether despite the objective of decentralising policy, repatriation might in fact lead to greater centralisation. Decisions might end up being taken at an all-Wales level rather than at a local level.
- Concern that the Barnett Formula arrangement would not necessarily be flexible enough to deal with payments under this system.
- The current structural funds programme had brought huge benefits for Wales’ interaction and links with Europe and these could be at risk under the proposals, which did not make a clear case for the same benefits.

**Lords Constitution Committee Report**

In June the House of Lords debated the Lords Constitution Committee Report *Devolution: Inter-Institutional Relations in the United Kingdom*, published in January. Committee Chair, Lord Norton of Louth, stated that a crucial element that has enabled devolution to bed down smoothly has been the goodwill of those responsible for inter-institutional relationships. He explained:

“This goodwill can be attributed to the dominance of one party in the administrations in Westminster, Edinburgh and Cardiff; to the fact that many of those involved in establishing the new structures had shared experiences as MPs at Westminster and therefore not only understood the processes of British government but knew personally those involved; and to the professionalism of the Civil Service.”

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106 Ibid.
107 Minute of the Assembly European and External Affairs Committee, 26 June 2003.
108 Minute of the Assembly European and External Affairs Committee, 26 June 2003.
Although goodwill has facilitated a high level of informality in the contact that takes place, ensuring that issues are resolved on the basis of personal contact and without the need for a great many formal meetings, it was recognised that problems are likely to arise as a result of differing political hues in the institutions. As a result the Committee’s Report argues that preparations need to be made for the time when there will be administrations in place of different political persuasions, and relations therefore need to be put on a more formal and transparent basis. The report makes a number of recommendations, including:

- Further use should be made of the formal mechanisms for intergovernmental relations. These encompass regular meetings of the formal Joint Ministerial Council, the regular updating of concordats and a strengthening of the devolution unit in the Office of the Deputy Prime Minister.
- In order to achieve greater transparency, more reports should be put into the public domain about meetings of the Joint Ministerial Council and also more information should be supplied about the funding arrangements.
- There should be a dispute resolution procedure introduced to deal with disputes arising outside the scope of the Barnett formula.
- There should also be changes to the arrangements made within UK government for dealing with inter-institutional arrangements. One Minister with responsibility for intergovernmental relations overall, possibly supported by Ministers of State to deal with particular policy sectors or devolved areas, should replace the Secretaries of State for Wales and Scotland.
- Another recommendation called for an improvement in the process of dealing with Westminster legislation affecting Wales. The Committee argued for greater consistency in how legislation affecting Wales is dealt with, and consideration given to how Members of the National Assembly can have a greater input into Parliament’s deliberations.109

Some of the Committee’s recommendations have been overtaken by the Prime Minister’s decision to create the new Department of Constitutional Affairs. The Wales and Scottish Office functions have been subsumed within it, and the briefs of the Secretaries of State for Wales and Scotland have been merged with two other Cabinet briefs.

### Concordat With the Office of the Deputy Prime Minister

Four years after devolution, the Office of the Deputy Prime Minister and the Welsh Assembly Government have drawn up a concordat to:

“… promote the establishment of close and harmonious working relationships and good communications at all levels between the two organisations, and in particular to foster constructive co-operation.”110

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110 *Concordat between the ODPM and the Welsh Assembly Government*, May 2003
8. RELATIONS WITH THE EUROPEAN UNION
Mark Lang, Welsh Governance Centre

Preparation for the Euro

In June Chancellor Gordon Brown, announced that the five economic tests which were drawn up to assess the UK’s compatibility with the Eurozone had not yet been met. As part of a package of reforms to help achieve structural convergence, and sufficient flexibility and to enable the tests to be met in the future he announced the following reforms in UK fiscal management, outlined in the Treasury’s Third Outline National Changeover Plan:

- A change in the inflation target so that it is based on the Harmonised Index of Consumer Prices measure
- Two major reviews on the step changes needed in the planning and supply of housing and in the market for long term mortgages
- Reforms at a national, regional and local level to enhance the flexibility of labour, capital and product markets in Britain
- New arrangements for British fiscal policy inside EMU

In addition the Chancellor announced a period of information and discussion in each region and nation of the country, to discuss the National Changeover Plan and the implications of the Euro. Under the Chairmanship of Peter Hain, the Wales European Preparation Committee was established to:

1. Oversee preparation in Wales.
2. Generate awareness of preparation for the euro in Wales.
3. Ensure co-ordination and co-operation between partners.
5. Give feedback of Wales’ view to chancellors standing committee.

The Committee will comprise representatives from the economic sector in Wales and is due to report its findings and recommendations to the Treasury from the beginning of October. Its feedback to Westminster should be in a non-political and non-controversial way detailing what is needed for Wales to be prepared for entry to the Eurozone.

In a European and External Affairs Committee meeting the First Minister, Rhodri Morgan, gave assurances that the Permanent Secretary would ensure that any information campaign run by the Assembly Government on introducing the Euro would be in accordance with rules on the use of government resources. The campaign should, therefore, be a non-political campaign to inform the public about preparations for the introduction of the Euro.\footnote{Minutes of the National Assembly For Wales European and External Affairs Committee, 26 June 2003.}
In June the Assembly held a plenary debate entitled *Wales in Europe on the following* Assembly Government motion which was subject to 16 opposition amendments:

- Acknowledged the progress made by the Assembly in raising the European profile and influence of Wales
- Welcomed the significant progress made thus far in implementing current European structural funds programmes in Wales
- Recognised the crucial influence of the entry decision on the euro on the Welsh economy
- Recognised the significance of the enlargement of the EU from 15 to 25 member states and the convention on the future of Europe and its implications for Wales

In moving the Government’s motion First Minister, Rhodri Morgan, argued that the Assembly Government had made great efforts in raising the profile of Wales in Europe. He said that both Carwyn Jones, the Minister for Environment, Planning and Countryside, and Alun Pugh, the Minister for Culture, Welsh Language and Sport have recently been part of the UK Government’s representations to EU Council Meetings. Carwyn Jones in particular has been part of the discussions concerning the future of the CAP.

The First Minister argued that significant progress had also been made on structural funds, with the latest figures showing that approved projects have already created some 10,500 gross new jobs and safeguarded about 17,500 jobs. He also reported that he attended the informal meeting of regional affairs ministers at Chalkidiki, Greece during May, as part of the UK Government delegation.

Rhodri Morgan also addressed the euro, suggesting that the most important issue for Wales concerned the most beneficial exchange for the Welsh economy. He argued that Wales tends to specialise in manufacturing, and is dominated by commodity manufacturing, which is particularly influenced by export prices into the Eurozone.

Plaid Cymru Leader, Ieuan Wyn Jones, pressed the First Minister about his own views on the Euro, saying:

“You have given the arguments for and against joining the euro. We are now clear that the Prime Minister and the Chancellor, on behalf of the UK Government, have indicated broad support for the euro. The UK Government now wants a debate on the positive aspects of euro membership. I would have expected you, First Minister, to tell us whether the expectation now is that the Welsh Assembly Government will also take part in that debate, and talk about the positive aspects.”

Responding the First Minister declared:

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112 Assembly Record, 18 June 2003
“I would be strongly in favour of Britain joining the euro at the right rate, and we would expect to campaign on that front. There is no question about that.”

Rhodri Morgan also addressed the issue of EU enlargement, which he said would have a significant impact on Wales and the Welsh economy. He said that the low-tech or no-tech companies may transfer more of their employment into the new member states. As a result the Welsh economy must move:

“To establishing upmarket employment in Wales, because you cannot overcome - no matter what the exchange rate may be - a wage differential of 1: 5 or 1: 6 such as that which exists between us, Poland, Hungary and the Czech Republic.”

During the debate Ieuan Wyn Jones stated his party’s position that joining the euro at the right exchange rate would be beneficial to Wales. The Conservative Party remained opposed to the concept of the UK in a further unified Europe. Although not representing all members of his party’s views, Monmouth AM David Davies said:

“The debate over the euro and the constitution is proceeding under a profound misconception. People are being deceived into thinking that the one is a discussion of the merits of a Europe-wide currency while the other is just a tidying up exercise. The reality, which is only now becoming clear, is that both are part of a scheme to create a federal European state. We have been misled for too many years by successive politicians about the nature of the European project…I am one of those who do not want Wales to be subsumed into a Soviet-style Euro-state. I deplore the undemocratic structures and the financial mismanagement by the European Commission, which seems unable to stop the squandering and disappearance of millions of pounds and yet harasses and sacks anyone in the Commission who is brave enough to blow the whistle on what is going on there.”

In the event all of the sixteen opposition party amendments were comfortably defeated, and the Assembly Government’s motion was carried 33 to 12, with 9 abstentions.

Reform of the Common Agricultural Policy

In June EU Farm Ministers adopted a mid term reform of the Common Agricultural Policy (CAP). The reform will, the European Commission argues, completely change the way the EU supports its farm sector.

113 Ibid.
114 Ibid.
115 Ibid.
116 Assembly Record, 18 June 2003.
In July the EU Commissioner for Agriculture, Rural Development and Fisheries, Franz Fischler, outlined the proposals to farming representatives in London. Franz Fischler argued that it was not an option simply to abolish the CAP:

“The consequences for rural economies and the rural environment in Wales and other areas would be disastrous. The abandoning of land, the desertification of entire rural areas, the ecological damage, and the loss of cultural heritage and recreational areas would trigger enormous social costs, which European taxpayers would have to face.”\(^\text{117}\)

The Commissioner, however, rejected criticism that the capping of EU aids at a level of £192,960 would place larger farms at a competitive disadvantage. Mr Fischler argued that under the current system single landowners or farms can receive millions of euros of public support every year, which was socially unacceptable. Moreover,

“… capping farm aids is also justifiable on the ground that large farms would be able to benefit from economies of scale”.\(^\text{118}\)

Under the proposals the vast majority of subsidies will in future be paid independently from the volume of production. To avoid abandonment of production, member states may choose to maintain a limited link between subsidy and production under well defined conditions and within clear limits. These new “single farm payments” will also be linked to the respect of environmental, food safety and animal welfare standards. The Commission argues that severing the link between subsidies and production will make EU farmers more competitive and market orientated.

Franz Fischler stated that additional money will be made available to farmers for environmental, quality or animal welfare programmes as a result of reducing direct payments for bigger farms. The Council of EU Farm Ministers meeting on 26\(^{th}\) June further decided to revise the milk, rice, cereals, durum wheat, dried fodder and nut sectors. In order to respect the tight budgetary ceiling for the EU-25 until 2013, Ministers agreed to introduce a financial discipline mechanism. The key elements of the proposals are:

- A single farm payment for EU farmers, independent from production, though limited coupled elements may be maintained to avoid abandonment of production.
- A strengthened rural development policy with more EU money, new measures to promote the environment, quality and animal welfare and to help farmers to meet EU production standards starting in 2005.
- A reduction in direct payments for bigger farms to finance the new rural development policy.
- A mechanism for financial discipline to ensure that the farm budget fixed until 2013 is not overshot.
- Revisions to the market policy of the CAP, including asymmetric price cuts in the milk sector, reduction of the monthly increments in the cereals sector by half, and reforms in the rice, durum wheat, nuts, starch potatoes and dried fodder sectors.

The different elements of the reform will enter into force in 2004 and 2005. The single farm payment will enter into force in 2005. If a member state needs a transitional period due to its specific agricultural conditions, it may apply the single farm payment from 2007 at the latest.\textsuperscript{119} Rural Affairs Minister Carwyn Jones, said the reforms provided:

“... a real opportunity for simplification and for farmers to run their businesses based on market need rather than having to chase subsidies, as they have had to do for so long. In this way, farmers have been set free.”\textsuperscript{120}

\textbf{Streamlining Structural Fund Applications}

In June proposals for the simplification of Objective One structures and process were discussed by the Objective One Programme Monitoring Committee meeting. The proposals are designed to ensure simpler and speedier/more effective delivery of the Objective One programme.

The mid-term evaluation of the implementation of the Objective One programme has identified a number of problems. In particular there is widespread concern about the complexity of structures and process, which have deterred applicants and delayed the delivery of projects. There are also problems in the way in which some partnerships operate in their implementation of the programme.

The proposals for simplification are therefore aimed at tailoring the process of project selection to fit with the nature of the different priorities and measures; at restructuring partnerships to ensure they add maximum value to the process; and at putting more emphasis on the development of projects and their successful implementation. The key proposals are:

\begin{itemize}
\item A shift of emphasis in the work of local partnerships, with more emphasis on encouragement and assistance to project applicants in developing local projects and also on ‘after-care’ to project sponsors during the implementation phase of projects.
\item Regional and Strategy Partnerships would be combined into a smaller number of thematic advisory groups who would provide expert advice on projects and strategy. These would comprise people with expertise and experience in the different thematic areas of the Programme, including representation from all three sectors.
\item A speeded up project selection process, which would include:
  \begin{itemize}
   \item Removal of the requirement for all projects to be submitted through a partnership (except where there are local funding allocations), but providing more help for applicants of both local and regional projects
   \item Replacement of the current pre-application consultation process between partnerships with arrangements whereby WEFO seeks
\end{itemize}
\end{itemize}


\textsuperscript{120} Assembly Record, 2 July 2003
comments from both local and thematic groups and the cross-cutting theme advisors during the project appraisal process

- Time made available for WEFO staff to advise project applicants before submission of a project and to work with the project sponsor during the appraisal stage 121

These proposals will be discussed further at the Programme Monitoring Committee meeting in September.

**EU Council Meeting in Chalkidiki**

The First Minister attended the EU Council’s May meeting in Chalkidiki, Greece. It was the first meeting of the Council for Regional Affairs in which an Assembly Minister had been part of the UK delegation. The main item on the Council meeting agenda was the future of structural funds in the next EU financial perspective from 2007 to 2013, which will apply to a European Union of 25 member states.
Plaid Cymru’s Leadership Battles

Following the May election the parties have been absorbed in coming to terms with their new situations in the Assembly. None more so than Plaid Cymru which has found itself plunged into not one, but two leadership battles, described as perhaps “the most difficult party leadership election of all time.”

The dramatic resignation of Party President, Ieuan Wyn Jones following disappointing election results and a reported loss of confidence of a number of Plaid’s Assembly Group, resulted in the party opening nominations for a new President to take over from Ieuan Wyn Jones in September. After a very slow start, and a number of names being mooted in the press, only two individuals have put themselves forward for the post of Presidency, neither of whom are Assembly Members. Therefore, another election for Party Leader in the Assembly will also be held in September. Vice-president Dafydd Iwan will face retired Assembly Member and former MP, Cynog Dafis in the battle for Plaid presidency. Despite suggestions from the up and coming Plaid MP Adam Price that he might stand if ‘nominations closed … without a single elected politician fighting for the post’ at the close of nominations Plaid was set ‘to become the only mainstream party in Britain whose leader is not a full-time politician’.

In their campaigns, both Dafydd Iwan and Cynog Davis have focused on establishing a new position for Plaid Cymru. They have both highlighted the need to ‘articulate Plaid’s message clearly and forcefully’ and ‘declaring anew’ Plaid’s commitment to ‘Wales as a nation which aspires to full self-government’. Iwan wants to make it clear that “the present Assembly is not our creation” and both men want to place “a new emphasis on the work of branches”. Iwan and Davis both advocate a stronger commitment to the Welsh language, Iwan most animatedly stating that: “we should never flinch from giving a positive lead on the Welsh language and its rich culture.”

Where the two contenders differ most clearly is over the representation of the party. For Dafis the party must link its principles with “social justice, environmental sustainability and economic success”, implying at least a strong connection with Labour’s old industrial heartlands. For Iwan the focus is far more on rural communities and agriculture, with urban communities mentioned in passing, and becoming a party of small and medium-sized enterprises.

The contrast in personalities and experience will provide a choice of style as well as substance for Plaid’s membership. Cynog Dafis has been a politician in both the Assembly and Parliament and therefore has strong connections with party leaders in

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122 ‘Political stereotype defied as Plaid agonises over leadership’, Western Mail, 24 May 2003.
123 ‘Plaid vice-president bids for leadership’, Western Mail, 21 May 2003.
124 ‘Dafis to stand in race for Plaid leadership’, Western Mail, 22 May 2003.
125 ‘Vibrant Plaid needs president with authority, MP warns’, Western Mail, 6 June 2003.
126 ‘Plaid to have “amateur” leader as only Dafis and Iwan stand’, Western Mail, 5 July 2003.
both institutions as well as on a European and Local government level. Dafydd Iwan has a background in the entertainment business and small enterprise and an emphasis on communication. Dafydd Iwan’s presidential campaign has already faced criticism from the Labour Party. Dafydd Iwan claimed people were moving to Wales to “avoid all the Pakistanis and all these Indians who have moved to English towns”. The Labour Party has called on Iwan to resign from the contest. However, he has defended his comments by arguing that he was highlighting the kind of racist attitudes he wants to keep out of Wales.

Plaid’s presidential election is accompanied by the election for the new Party Leader in the Assembly. The first Member to put his name forward was Rhodri Glyn Thomas. The Methodist minister and AM for Carmarthen East and Dinefwr is campaigning on the need to clarify Plaid’s constitutional position. He advocates an honest debate about Wales’ future which he argues the case for:

“Free association, which will give us sovereignty without separation. It would allow us to develop as a country while sharing many common interests with other countries in the UK.”

After initially finding herself nominated for presidency despite making it clear that she was unwilling to stand, Helen Mary Jones declared her intention to stand for the post of Party Leader. The AM for Mid and West Wales, whom many believe to have been the instigator behind the ‘plot’ to oust Wyn Jones as leader, has begun a strong campaign for leadership, clearly setting out her stance on the constitutional debate:

“I believe that we should talk in terms of freedom and self-government, but be relaxed if others want to describe it as independence. A defensive reaction to the term risks looking “shifty” as if we have something to hide in our constitutional policy. Which we don’t and never have.”

The final surprise nomination to the Assembly Group leadership contest was the current President, Ieuan Wyn Jones, AM for Ynys Mon. Wyn Jones announced his decision to stand once nominations for the presidency had closed. The announcement made him the bookie’s favourite almost immediately, but not so apparently amongst the group itself, only one of whom was prepared to tell the magazine Golwg that they welcomed his decision to stand.

The Plaid Leadership contests have given the party an opportunity to re-examine itself, enabling the new incumbents to lay down a new direction for the party to take in preparation for the county council and European elections in 2004. Elections will be held at the September conference.

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127 Candidate statements can be read at www.cynogdafis.org and www.dafyddiwan.com, the addresses themselves underlining a significant difference between the candidates.
128 ‘Sovereignty without separation’ in Agenda, IWA summer 2003
129 ‘Don’t call me, said AM, so Plaid does’, Western Mail, 3rd July 2003.
130 ‘Free and equal in Europe’ in Agenda, IWA summer 2003
131 ‘Time to share burden of leadership’, Western Mail, 7th July 2003.
132 ‘Ieuan Wyn Jones races away as the bookies’ favourite’, Western Mail, 8th July 2003.
133 ‘Plaid AMs cool towards former leader’, Western Mail, 19th July 2003.
Labour

The resignations of Swansea East MP, Donald Anderson and Blaenau Gwent’s Llew Smith at the next general election have thrown the Labour party into an internal dispute. Labour’s Welsh Executive has told Blaenau Gwent and Swansea East constituency parties they have to select from women-only shortlists. Meanwhile a third similarly placed constituency, Bridgend, has been allowed to choose from a mixed gender shortlist, prompting speculation that this was to allow Cardiff Council leader, Russell Goodway, to stand. Protests were loudest from Blaenau Gwent, which have included a petition with 2,000 signatures and threats from Llew Smith, Peter Law AM and officers of the local party that Blaneau Gwent members will not take part in any selection process with a women-only shortlist and that if a candidate is imposed by the Welsh executive they will not work, or campaign with her. The Welsh Labour party responded to this threat by saying that “if they refuse to cooperate we will organise the selections centrally.” The support being given by the Welsh Labour Executive and the NEC in London led Llew Smith to offer this theory:

“I have no doubt in my mind that the reason Blaenau Gwent and Swansea East have been singled out for this treatment is because they are trying to block left-wingers from being selected.”

The latest twist in the saga, is that Welsh Labour officials have warned they may face both legal and electoral challenges if they insist on imposing an all-women shortlist on a constituency party against its will.

Both Rosemary Butler, and John Griffiths, AMs for Newport West and East respectively, have faced criticism for not making themselves sufficiently available to their constituents. It was revealed that the AMs, who share an office, only open their doors to the public for two hours on Mondays and two hours on Fridays. In their defence, John Griffiths said that the office only opens for four hours a week because their staff allowances were used to employ people in their offices at the Assembly.

Liberal Democrats

The Liberal Democrat election campaign was attacked by its Monmouth candidate, Alison Willott, as focusing too strongly on Party Leader, Michael German. However, it was left to Michael German to make the running in attacking former coalition partners, Labour, claiming that the Welsh Labour election programme was at risk from a ‘spending squeeze’ from the Chancellor, Gordon Brown.

134 ‘Rebellion over Labour’s “women-only” candidates’, Western Mail, 28th June 2003.
135 ‘Women-only shortlist row flares’, Western Mail 17 July 2003.
136 ‘Threat of legal action over all-women shortlist’, Western Mail, 5 August 2003
137 Ibid.
138 Ibid.
139 ‘Labour AMs attacked over limited office hours’, Western Mail, 23 July 2003
140 ‘German “too prominent” in Lib-Dem poll strategy’, Western Mail, 12th June 2003.
141 ‘Rhodri’s 10 pledges at risk’, Western Mail, 22th July 2003.
**Conservatives**

The Conservatives had an initial period of optimism following their strong performance in the Assembly elections, with their position as ‘the only centre right party in Wales’ leading them to believe they can improve further on their gains. Nonetheless, this did not stop speculation about the future of Nick Bourne as the Party Leader in Wales as a result of unsubstantiated rumours concerning his private life.

Meanwhile, the Conservatives won a ward in Newport which they had never previously won under existing boundaries with Labour being pushed into third place by an independent. On the basis of this result Conservatives have calculated that Labour would lose control of Newport council if the 12.5 per cent swing to them was replicated across the city in next year’s local elections. An unnamed Labour MP recognised the significance of this victory, explaining where he thought Welsh Labour were making mistakes:

> “I think that at the Assembly we are making the mistake of seeking to shore up our support on the left and ignoring the threat from the right.”

**New Welsh Socialist Party**

Following his success as an Independent candidate for Wrexham at the National Assembly elections, John Marek embarked on establishing a new left-wing party to challenge the Labour Party which he said would receive strong support:

> “We already have quite a large group in northeast Wales, we now feel that Labour has become a party of the right. We intend to put forward a credible alternative party or alliance to take the place in the political spectrum that Labour has vacated here in Wales.”

The objective is to try and emulate the success of the Scottish Socialist Party which won six list seats in the Scottish Parliament elections in May 2003. Meetings have been held in Aberystwyth, and at the Wales TUC in Llandudno. Talks have also been held with Bob Crow, leader of the RMT Union. In early August a launch conference was attended by about ninety people in Wrexham – many from other fringe left parties – and addressed by the Scottish Socialist MSP leader Tommy Sheridan.

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142 ‘MP warns on Tory revival’, *Western Mail*, 12th July 2003.
144 ‘MP warns on Tory revival’, *Western Mail*, 12 July 2003
145 ‘Marek may set up new party’. *Western Mail*, 7 July 2003
Value of Assembly Questioned

The reputation of the National Assembly was called into question by the *Western Mail* on a number of occasions throughout this period. ‘Laughing Stock’ was its cumulative headline on in early July, describing the inefficiencies and the unprofessional nature of the political institution in Wales. The paper reported that the private life of an AM and the seating arrangements in the chamber were more important issues to Members than concentrating on problems of health, economy and transport.

The major embarrassment that has hit the Assembly has been the debacle of the seating arrangements which the Presiding Officer was asked to defuse. ‘Sitting Ducks’ was how the AMs were described by the *Western Mail* arguing that the debate made the Assembly an easy target for abuse and ridicule. Although the potential 12-hour debate was abandoned as a result of concessions on both sides, the issue brought the reputation of the Assembly under the spotlight, leaving a negative impression before the summer recess. As the Presiding Officer put it:

“… sometimes I do despair at what people want to talk about.”

Despite the criticism of the Assembly, from both inside and outside the body’s walls, the First Minister remained committed to its cause and proclaimed that the last week of the Assembly before the summer recess was “one of the best” since the National Assembly was established. Citing eight new initiatives, including transfer of responsibility for student support, free swimming for children and grants for healthier life-styles, Rhodri Morgan sought to prove to journalists the Assembly’s worth.

Despite these assurances, Paul Starling from the *Welsh Mirror* was not convinced. His analogy of Rhodri Morgan as Captain of the ‘ship-of state’ was summed up in its title *Rhodri’s Sailing in Murky Waters*. Starling described the Assembly as a “national joke”:

“… stage by stage it has descended from playground politics, through farce, to a state now where it is held in contempt and ridicule.”

This view of an incompetent Assembly was echoed in the *Sunday Telegraph* which argued that in the competition between the Welsh and Scots to see which could make a greater shambles of devolved government, the Welsh were inching away. Christopher Booker’s notebook used the shutting of the Welsh European Funding

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146 *Western Mail*, 14 July.
147 *Western Mail*, 9 July 2003
148 *Western Mail*, 14 July 2003
149 *Western Mail*, 18 July 2003
150 *Welsh Mirror*, 18 July 2003
151 *Sunday Telegraph*, 27 July 2003
Office, after failing to meet targets as well as the WDA awarding an EU related contract to a subsidiary, Welsh Finance as cases to illustrate the point.

**Reshuffle Confusion**

A vast array of headlines decked the newspapers in the following days after the announcement of the cabinet reshuffle. *Fury as Blair exiles Wales* was the *Western Mail*’s description of the announcement. The paper described the reactions to the confused cabinet reshuffle from ‘insulting Wales’, to a ‘dog’s dinner’ and a ‘shambolic farce.’ The subsequent days were spent attempting to understand the reshuffle, deciphering whether Wales still had an Office or not, and what role Peter Hain was going to play now his Office seemed to have been subsumed by the new Department of Constitutional Affairs.

Despite assurances that The Wales Office is not being abolished - ‘*Wales still important, says Hain*’ - confusion still remained both within the media and political worlds, *Two Offices Could be Merged*. The confusion resulted in numerous press meetings by Peter Hain in an attempt to clarify the situation. He also wrote an ‘Opinion’ column of the *Western Mail*, entitled ‘*It’s business as usual and Wales still has a voice*’ backed up with consistent assurances from the First Minister, *Rhodri: Wales Still Has a Voice*.

Despite the anxious headlines, the *Western Mail* recognised the opportunity the constitutional changes could present to Wales. In its analysis, *Death of London link provides opportunity*, the newspaper concluded that the

“… announcement represents a threat and an opportunity. The threat is to do nothing. But Wales has an opportunity to seize the day and create an unstoppable momentum which ends only when Wales enjoys the same legislative autonomy as Scotland.”

**Plaid Urged to Adopt Radical Stance**

The *Western Mail* announced its approval of Ieuan Wyn Jones’s appeal for Plaid Cymru to rethink its role in Welsh politics. The paper’s editorial comment praised the party’s opportunity for a rethink and projected that it has “potentially sown not just the seeds of rebirth but of success”. Ieuan Wyn Jones called for the party to examine itself and to rediscover the party’s true ‘raison d’être’, to set itself apart from the

152 [www.icwales.co.uk](http://www.icwales.co.uk), 13 June 2003
153 [www.icwales.co.uk](http://www.icwales.co.uk), 13 June 2003
154 *Western Mail*, 17 June 2003
155 *Western Mail*, 24 June 2003
156 *Wales on Sunday*, 15 June 2003
157 *Western Mail*, 13 June 2003
Labour Party in Wales, advocating different policies and politics, including the dream of a self-governing Wales. The article agreed that

“… such honest argument in the political arena would be as refreshing for all of us who hope to see the quality of debate improve as it is crucial to the party … Mr Wyn Jones is giving his party the chance to have a strategic conversation that it must seize if it wishes to survive.”¹⁵⁸

**Mirror Scraps Welsh Edition**

The Daily Mirror has announced it is to scrap its Welsh edition as part of a cost cutting plan. A Mirror spokeswoman said Welsh news pages would be inserted into the main UK edition instead. She said that the company remained committed to retaining a Welsh presence. However it has been reported that seven out of the 15 jobs of the Welsh desk at Canary Wharf will be lost. One man who will not be mourning the passing of the Mirror's Welsh edition is the Labour MP for Newport West, Paul Flynn. He said he would "raise a glass of medicinal red wine" to its demise because of its mis-reporting of Welsh language issues, its "slavish support of New Labour rather than Wales" and because it is a "bully pulpit":

"I will buy the last copy of it, dig a large hole in my garden for it and cover it with a large slab of concrete, with an inscription, 'Buried without tears, may this never rise again'.”¹⁵⁹

¹⁵⁸ *Western Mail*, 23 June 2003
¹⁵⁹ [www.media.guardian.co.uk/presspublishing](http://www.media.guardian.co.uk/presspublishing)
## APPENDIX

### Membership of the New Assembly Committees

#### Cabinet Sub-Committees

Prior to the election there were eight Cabinet Sub-Committees and working groups, four of which will be re-established in addition to an additional sub-committee on Local Government and Public Services.

<table>
<thead>
<tr>
<th>Committee</th>
<th>Chair &amp; Members</th>
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</thead>
<tbody>
<tr>
<td><strong>Children and Young People</strong></td>
<td>Minister for Health and Social Care (Chair)</td>
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<tr>
<td></td>
<td>First Minister</td>
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<tr>
<td></td>
<td>Minister for Culture, Sport and the Welsh Language</td>
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<tr>
<td></td>
<td>Minister for Education and Life-Long Learning</td>
</tr>
<tr>
<td></td>
<td>Minister for Social Justice and Regeneration</td>
</tr>
<tr>
<td><strong>Sustainable Development</strong></td>
<td>First Minister (Chair)</td>
</tr>
<tr>
<td></td>
<td>Minister for Economic Development</td>
</tr>
<tr>
<td></td>
<td>Minister for Environment, Planning and Countryside</td>
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<td></td>
<td>Minister for Finance, Local Government and Public Services</td>
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<tr>
<td><strong>Spatial Plan</strong></td>
<td>Minister for Finance, Local Government and Public Services (Chair)</td>
</tr>
<tr>
<td></td>
<td>First Minister</td>
</tr>
<tr>
<td></td>
<td>Minister for Environment, Planning and Rural Affairs</td>
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<td></td>
<td>Minister for Economic Development</td>
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<td></td>
<td>Minister for Education and Life-Long Learning</td>
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<tr>
<td><strong>Local Government and Public Services</strong></td>
<td>Minister for Finance, Local Government and Public Services (Chair)</td>
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<td></td>
<td>Minister for Education and Life-Long Learning</td>
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<td></td>
<td>Minister for Health and Social Care</td>
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<td>Minister for Economic Development</td>
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<td></td>
<td>Minister for Environment, Planning and Rural Affairs</td>
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<tr>
<td><strong>Subordinate Legislation</strong></td>
<td>First Minister</td>
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<tr>
<td></td>
<td>Business Manager</td>
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<tr>
<td></td>
<td>Minister for Finance, Local Government and Public Services</td>
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<td></td>
<td>plus the Minister making the request for the executive procedure, if not one of the above.</td>
</tr>
</tbody>
</table>

Cabinet meetings normally take place every other Monday whilst the Assembly is in session. Other meetings may be arranged if necessary as and when the need arises. Cabinet Sub-Committee meetings are normally held on Monday afternoons.
### Subject Committees

#### Culture, Sport and the Languages of Wales Committee

<table>
<thead>
<tr>
<th>Member</th>
<th>Position</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rosemary Butler</td>
<td>Chair</td>
<td>Labour</td>
</tr>
<tr>
<td>Alun Pugh</td>
<td>Minister</td>
<td>Labour</td>
</tr>
<tr>
<td>Owen John Thomas</td>
<td>Party Spokesperson</td>
<td>Plaid Cymru</td>
</tr>
<tr>
<td>Lisa Francis</td>
<td>Party Spokesperson</td>
<td>Conservatives</td>
</tr>
<tr>
<td>Eleanor Burnham</td>
<td>Party Spokesperson</td>
<td>Liberal Democrats</td>
</tr>
<tr>
<td>Leighton Andrews</td>
<td>Member</td>
<td>Labour</td>
</tr>
<tr>
<td>Lorraine Barrett</td>
<td>Member</td>
<td>Labour</td>
</tr>
<tr>
<td>Denise Idris-Jones</td>
<td>Member</td>
<td>Labour</td>
</tr>
<tr>
<td>Elin Jones</td>
<td>Member</td>
<td>Plaid Cymru</td>
</tr>
<tr>
<td>Laura Ann Jones</td>
<td>Member</td>
<td>Conservative</td>
</tr>
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</table>

#### Economic Development, Industry, Transport and Tourism Committee

<table>
<thead>
<tr>
<th>Member</th>
<th>Position</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christine Gwyther</td>
<td>Chair</td>
<td>Labour</td>
</tr>
<tr>
<td>Andrew Davies</td>
<td>Minister</td>
<td>Labour</td>
</tr>
<tr>
<td>Brian Gibbons</td>
<td>Deputy Minister for Transport</td>
<td>Labour</td>
</tr>
<tr>
<td>Elin Jones</td>
<td>Party Spokesperson</td>
<td>Plaid Cymru</td>
</tr>
<tr>
<td>Alun Cairns</td>
<td>Party Spokesperson</td>
<td>Conservative</td>
</tr>
<tr>
<td>Jenny Randerson</td>
<td>Party Spokesperson</td>
<td>Liberal Democrat</td>
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<tr>
<td>Christine Chapman</td>
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<tr>
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#### Education and Lifelong Learning Committee

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<tr>
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<tr>
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<td>Labour</td>
</tr>
<tr>
<td>Jeff Cuthbert</td>
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<td>Labour</td>
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<td>Denise Idris-Jones</td>
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<td>Owen John Thomas</td>
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<tr>
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### Environment, Planning and the Countryside Committee

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<td>Labour</td>
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</tr>
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<td>Mick Bates</td>
<td>Party Spokesperson</td>
<td>Liberal Democrats</td>
</tr>
<tr>
<td>Tamsin Dunwoody-Kneafsey</td>
<td>Member</td>
<td>Labour</td>
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<tr>
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### Health and Social Services Committee

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<td>Jonathan Morgan</td>
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<tr>
<td>Val Lloyd</td>
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<tr>
<td>Gwenda Thomas</td>
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<tr>
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<tr>
<td>Kirsty Williams</td>
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<td>Labour</td>
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<tr>
<td>Tamsin Dunwoody-Kneafsey</td>
<td>Member</td>
<td>Labour</td>
</tr>
<tr>
<td>Peter Law</td>
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<td>Labour</td>
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# Social Justice and Regeneration Committee

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<tr>
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<td>Labour</td>
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<tr>
<td>Huw Lewis</td>
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</tr>
<tr>
<td>Leanne Wood</td>
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<td>Plaid Cymru</td>
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<tr>
<td>William Graham</td>
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<td>Conservatives</td>
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<tr>
<td>Peter Black</td>
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## Standing Committees

### Business Committee

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<tr>
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<td>Labour</td>
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### Legislation Committee

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<tr>
<td>Jeff Cuthbert</td>
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### Standards of Conduct Committee

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<td>Labour</td>
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<tr>
<td>Jeff Cuthbert</td>
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<td>Labour</td>
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<tr>
<td>Sandy Mewies</td>
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<td>Labour</td>
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<tr>
<td>Lynne Neagle</td>
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<td>Labour</td>
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<tr>
<td>Gwenda Thomas</td>
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<td>Plaid Cymru</td>
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<td>Owen John Thomas</td>
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### Public Appointment Committee *

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<tr>
<td>Economic Development and Transport</td>
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<td>Elin Jones (Plaid)</td>
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<tr>
<td>Education and Lifelong Learning</td>
<td>Peter Black (Lib Dem)</td>
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<td></td>
<td>Jeff Cuthbert (Labour)</td>
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<tr>
<td>Health and Social Services</td>
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<td>Val Lloyd (Labour)</td>
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<td>Culture, Sport and the Welsh Language</td>
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<td>Environment and Rural Affairs</td>
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<tr>
<td>Finance, Local government and Public Service</td>
<td>Ann Jones (Labour)</td>
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<td></td>
<td>Glyn Davies (Cons)</td>
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<tr>
<td>Social Justice and Regeneration</td>
<td>Janice Gregory (Labour)</td>
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</tbody>
</table>

*The code of practice on public appointments requires subject committees to select two nominees to scrutinise the processes being followed in making public appointments within the individual committee portfolio. One of the two nominees must be from a party different to that of the Minister. The nominees for the committees should be party balanced across committees, therefore the committee chair is the first nominee and a member from another party is the second nominee.
## Regional Committees

### South West Wales Regional Committee

<table>
<thead>
<tr>
<th>Member</th>
<th>Constituency/ Region</th>
<th>Party</th>
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<tbody>
<tr>
<td>Rhodri Glyn Thomas</td>
<td>Carmarthen East &amp; Dinefwr</td>
<td>Plaid Cymru</td>
</tr>
<tr>
<td>Peter Black</td>
<td>South Wales West</td>
<td>Liberal Democrats</td>
</tr>
<tr>
<td>Nicholas Bourne</td>
<td>Mid and West Wales</td>
<td>Conservatives</td>
</tr>
<tr>
<td>Alun Cairns</td>
<td>South Wales West</td>
<td>Conservatives</td>
</tr>
<tr>
<td>Helen Mary Jones</td>
<td>Mid and West Wales</td>
<td>Plaid Cymru</td>
</tr>
<tr>
<td>Andrew Davies</td>
<td>Swansea West</td>
<td>Labour</td>
</tr>
<tr>
<td>Glyn Davies</td>
<td>Mid and West Wales</td>
<td>Conservatives</td>
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<tr>
<td>Janet Davies</td>
<td>South Wales West</td>
<td>Plaid Cymru</td>
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<tr>
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<td>Preseli Pembrokeshire</td>
<td>Labour</td>
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<td>Carmarthen West and South Pembrokeshire</td>
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<td>Edwina Hart</td>
<td>Gower</td>
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### North Wales Regional Committee

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<td>Plaid Cymru</td>
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## Mid Wales Regional Committee

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<td>Glyn Davies</td>
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<tr>
<td>Kirsty Williams</td>
<td>Brecon and Radnorshire</td>
<td>Liberal Democrats</td>
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## South East Wales Regional Committee

<table>
<thead>
<tr>
<th>Member</th>
<th>Constituency/ Region</th>
<th>Party</th>
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<tbody>
<tr>
<td>Jonathan Morgan</td>
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<td>Jenny Randerson</td>
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<tr>
<td>Lorraine Barrett</td>
<td>Cardiff South and Penarth</td>
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<tr>
<td>Lynne Neagle</td>
<td>Torfaen</td>
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<td>Bridgend</td>
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<td>Alun Cairns</td>
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<td>Huw Lewis</td>
<td>Merthyr Tydfil and Rhymney</td>
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<td>Jane Hutt</td>
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<tr>
<td>Owen John Thomas</td>
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<td>Plaid Cymru</td>
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</table>
Local Government Partnership Council

The Local Government Partnership Council is an advisory body set up under the Government of Wales Act to promote joint working and co-operation between the Assembly and local government. The 26 strong Council comprises members of the Assembly from all parties and members from local government - drawn mainly from the Welsh Local Government Association but also including representatives of the National Parks, Police and Fire Authorities and two from the Community Councils.

The Partnership Council's remit is to give advice to the Assembly about matters affecting the exercise of any of the Assembly's functions; make representations to the Assembly about any matters affecting, or of concern to, those involved in local government in Wales; and give advice to those involved in local government in Wales.

<table>
<thead>
<tr>
<th>Institution</th>
<th>Representatives</th>
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<tbody>
<tr>
<td>National Assembly for Wales</td>
<td>Rhodri Morgan, Jane Davidson, Sue Essex, Ann Jones, Huw Lewis, Janet Ryder, Dai Lloyd, Glyn Davies, Laura Anne Jones, Kirsty Williams</td>
</tr>
<tr>
<td>County and County Borough Councils</td>
<td>Cllr T.P.N. Crowley, Cllr R.V. Goodway, Cllr J.J. Hopkins, Cllr Sir Harry Jones, Cllr J.J. Jones, Cllr D. Lloyd Evans, Cllr C. Mann, Cllr E.M. Jones, Cllr S. Wilkinson, Cllr E.W. Williams</td>
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<tr>
<td>Community Councils</td>
<td>Cllr M. Stephens, Cllr A. Guinn</td>
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<tr>
<td>Fire Authorities</td>
<td>Cllr D. Rees</td>
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<td>National Park Authorities</td>
<td>Cllr M. Thomas</td>
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<td>Police Authorities</td>
<td>Cllr M. King.</td>
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