COALITION POLITICS COME TO WALES
MONITORING
Cynulliad Cenedlaethol Cymru
The National Assembly for Wales
SEPTEMBER TO DECEMBER 2000

Edited By
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In association with:
Strategy Wales
Strategaeth Cymru

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Preface

This report begins the second year of a series of publications the IWA is producing in a project tracking the progress of the National Assembly, and in particular the policy developments it initiates across the range of its responsibilities. Quarterly reports are published and also posted on the IWA’s website (www.iwa.org.uk) together with a more substantial annual publication*. The project is being undertaken in collaboration with the Welsh Governance Centre at Cardiff University under its Director J. Barry Jones, and is supported by the Joseph Rowntree Charitable Trust. It is also being pursued in association with the Constitution Unit, University College, London, as part of a monitoring exercise of all the UK devolved institutions, together with tracking developments in Whitehall and in the English regions. Our partner organisations in Scotland and Northern Ireland are the Scottish Council Foundation and Democratic Dialogue. The Constitution Unit monitors developments in Whitehall while the Centre for Urban and Regional Developments Studies at Newcastle University is following developments in the English regions. Further information on this project, including the regular reports from Scotland, Northern Ireland and the English regions can be found on the Constitution Unit’s website: www.ucl.ac.uk/constitution-unit/

This report has been produced with the assistance of Jane Jones of the Law Department, University of Wales, Swansea; Dr Denis Balsom of the Welsh Governance Centre, Cardiff University, Editor of The Wales Yearbook; and Nia Richardson, an IWA Research Assistant. The Institute is grateful to all of them for their contribution. The Institute is also grateful to the public affairs consultancy Strategy Wales for allowing us access to their weekly monitoring reports on the National Assembly, and in particular to Cathy Owens and Steven Cornelius.

John Osmond
Director, IWA
December 2000

* The first annual report, examining the role of the Assembly’s Committees in policy development will be published in January 2001. Previous quarterly reports in this series (all available from the IWA) are: Devolution – ‘A Dynamic, Settled Process?’ (December 1999); Devolution Relaunched (March 2000); Devolution in Transition (May 2000); and Devolution Looks Ahead (September 2000).
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SUMMARY

The National Assembly was put on a completely new footing in October with the announcement of a Coalition Government between Labour and the Liberal Democrats. At a stroke the Executive was provided with an assured majority and a programme for government, two attributes that had eluded it during the first year of devolution. This transformation came with a price tag, however: two seats in the Cabinet for the Liberal Democrats, with their leader Michael German becoming Deputy First Minister in charge of Economic Development, while his colleague Jenny Randerson became Minister for Culture, an entirely new portfolio. These ministerial titles – previously Cabinet members were known as Secretaries – signalled more substantive constitutional developments on a broad front. The 25-page Partnership Agreement between Labour and the Liberal Democrats, that took nearly two months to negotiate, contains a raft of policies across the range of the Assembly’s responsibilities. Headline commitments are free school milk for all children under seven, a freezing of prescription charges, and legislation to allow pensioners to travel free on local bus services from 2002. However, of longer term import so far as the devolution settlement is concerned, is a commitment to create an independent Commission to examine the Assembly’s powers and electoral arrangements. This will be established during the current term but will not report until after the next Assembly election in May 2003.

More immediately the Agreement commits to securing “the independence of the Office of the Presiding Officer and the civil servants that work there.” This undertaking puts in place a defining characteristic of a parliamentary body, and thereby a de facto move away from the Assembly’s de jure constitutional status as a corporate body, as laid down in the 1998 Government of Wales Act. The change was expressly recognised by the Assembly in October when it approved (by 50 votes with none opposing) a new Standing Order No 28 establishing a House Committee to advise the Presiding Officer and to advise the determination of a separate £24.3 million budget for his Office (incorporating an increase of £2 million over and above the draft budget). Plaid Cymru leader Ieuan Wyn Jones greeted the change as “an historical step forward” expressing the hope that it would be “a way of persuading the Government in London that the days of the body corporate are over.”

Importing coalition politics into Wales proved a shock to the system. Most Labour AMs were unaware of the development until the day before the announcement. It prompted the first resignation of a Cabinet Minister, Tom Middlehurst, who had been responsible for Post-16 Education. He objected to Liberal Democrats entering the Cabinet. It also led to a revolt by some Labour local government leaders, appalled at the Partnership Agreement’s commitment to entertain the prospect of proportional representation for local government elections. Some Liberal Democrat activists were alarmed, too, at the potential impact on their electoral prospects, especially in their heartland mid Wales seats. But they were persuaded to back their leadership in the Autumn conference which endorsed the deal. The Conservatives were pleased with the new clarity established between Government and Opposition. Plaid Cymru were more ambivalent since, as the Government no longer
required their votes, they were no longer to be awarded concessions to which they had become accustomed.
1. THE COALITION GOVERNMENT
John Osmond, IWA

In October the politics of the National Assembly were transformed by the creation of a majority coalition government, following negotiations between Labour and the Liberal Democrats that had begun in early August. A 25-page document *Putting Wales First: A Partnership for the People of Wales* was published on 6 October, in effect providing a programme for government until the next Assembly elections in May 2003. Following approval of the coalition by the Welsh Labour Executive the same day, and by the Liberal Democrats’ Autumn conference held at Llanelwedd, mid Wales, ten days later (15 October), a new Cabinet was announced. Two places were allotted to the Liberal Democrats. Their leader, Mike German became Deputy First Minister responsible for Economic Development, and Cardiff Central AM Jenny Randerson, Minister for Culture, the Arts and Sport, a new portfolio created as a result of the deal. *Putting Wales First* specifies the relationship between the First and Deputy First Ministers in the following terms:

“We are agreed that close consultation between the First Minister and Deputy First Minister will be the foundation of the Partnership’s success. Consultation needs to cover all aspects of the conduct of the Assembly Executive, including the allocation of responsibilities, the Assembly’s policy and legislative programme, the conduct of its business and the resolution of disputes.”¹

As the Agreement document states, it is closely modelled on the Scottish Parliament’s partnership between Labour and Liberal Democrats so far as its working arrangements are concerned.² Even so, importing a coalition into Wales was a shock to the system. Little groundwork had been undertaken, in contrast to the Scottish experience in which a Convention had preceded the formation of the Scottish Parliament. The Welsh negotiations were undertaken in secrecy over a couple of months by a handful of players on both sides. The first many Labour AMs heard about the deal was the day before it was announced.

The policy impact of the new partnership became clear some weeks on, in November, when the new coalition administration published its *Programme for Government*, listing 75 proposals it was intent on pursuing in the forthcoming year (see Appendix I). Extracted largely from the Partnership Agreement the *Programme* announcement was in effect a Welsh equivalent of the Queen’s Speech at Westminster. Headline commitments were free school milk for all children under seven years, a freezing of prescription charges and legislation to allow pensioners to travel free on local bus services from 2002. What was perhaps most remarkable, however, was that the Welsh Government now had a

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¹ Working Together: Delivering the Partnership Agreement, Part III of *Putting Wales First: A Partnership Agreement for the People of Wales*, 6 October 2000
² It was noteworthy that in the first Cabinet following the announcement of the coalition Rhodri Morgan “encouraged all Cabinet members to establish contact with their counterparts in the Scottish Executive, to learn more about partnership working there” (Cabinet Minutes, 9 October, Assembly website).
programme. As the Minister for Assembly Business, Andrew Davies, put it on the day of the announcement:

“Last year we could not produce this sort of speech because we could not have been sure we could have got its proposals through the Assembly.”

The Opposition was dismissive. For the Conservatives Nick Bourne described the Programme as a “partisan diatribe” that was long on words but short on action. Plaid Cymru’s leader Ieuan Wyn Jones, who promised his party would be publishing its alternative Programme in a few weeks, complained that out of the 75 commitments two-thirds were aspirational or proposals to consult and debate. Of the 26 legislative proposals in the Programme he said only eight related specifically to Wales and just three were new:

“We’ve spent 18 months having meaningless debates that have led to nothing and now we are going to get more.”

From the Labour perspective most of the detailed policy commitments paled into insignificance when set against the fact that Liberal Democrats were to be brought into the Cabinet. Many Labour activists also recoiled from an undertaking to consider the introduction of proportional representation into local elections. These commitments prompted the resignation of the Cabinet Minister for Post-16 Education, Tom Middlehurst - though it was widely recognised that he would have been sacked in any event, since under the Agreement his portfolio was being merged with Pre-16 Education to create a single Education Department.

The coalition, and especially its suggestion of proportional representation for local government elections, was also opposed by many Labour local government leaders. Their opposition crystallised in a bitter dispute between the local authority run, Labour controlled Welsh Joint Education Committee and the Deputy First Minister, Mike German. This dominated the newspapers headlines and television studios for the first few weeks of the coalition. Before his election to the Assembly the Liberal Democrat leader had worked for the WJEC as European Officer responsible for promoting exchanges between Welsh students and those in other European countries. It was alleged that he had left the WJEC with his department running up a large financial deficit due in some measure to extravagant foreign travel and a relaxed approach to expenses, allegations that were strongly refuted. There were calls, for example by the Labour leader of Bridgend County Borough Council Jeff Jones, for Mike German to stand aside as Deputy First Minister while the allegations were investigated. However, he claimed in return that the allegations against him were motivated by some local government leaders seeking to destabilise the Coalition. Rhodri Morgan made clear that he had been aware of the allegations when he signed the agreement and that so long as there were no criminal charges he would stand by his Deputy.

3 Western Mail, 21 November
4 Assembly Record, 21 November
5 Ibid.
6 Wales on Sunday, 22 October 2000
What the row brought sharply into focus was the coalition’s radical departure from the traditional politics of one-party rule that had been experienced in large parts of Wales over the previous two, and sometimes three, generations. Commenting on the coalition in a major speech to the Institute of Welsh Politics in Aberystwyth Rhodri Morgan declared:

“In moving our democracy forward we need a pluralistic view in which no party or groups of parties on the governmental side have any kind of monopoly on wisdom at all. The structure of the Assembly is very much orientated towards trying to develop a communal ‘small-nation psychology’ way of working. In pushing the devolution process forward we don’t necessarily want to keep the Westminster style for Wales.”

The New Cabinet

The line-up of the Coalition Cabinet presented a completely new Executive compared with the first Assembly Cabinet that had taken the reins of power a little over a year before. Five of the original nine faces had disappeared: Alun Michael as First Secretary, Christine Gwyther, Agriculture; Rosemary Butler, Pre-16 Education; Tom Middlehurst, Post-16 Education; and Peter Law, Environment. In their place were the following:

- First Minister Rhodri Morgan leads the government and in addition takes personal responsibility for the co-ordination of government policy in the north of Wales. He leads in the relationship between the National Assembly and business in Wales, as well as Wales' relationships with other parts of the United Kingdom, Europe and the world.

- Deputy First Minister and Minister for Economic Development Michael German will deputise in the absence of the First Minister. The procedures to be established for handling business within the Partnership Government require that all relevant material is available both to the First Minister and Deputy First Minister. The Deputy First Minister has appropriate official and political support (including the forthcoming appointment of two political advisers) to enable him to discharge his role effectively.

- The Business Manager (Trefnydd) Andrew Davies is responsible for the management of government business in the National Assembly. He co-ordinates the strategic development of the government's corporate policy and the implementation of Putting Wales First and betterwales.com (the Administration’s Strategic Plan), and is responsible for corporate communications and for co-ordinating developments relating to Information and Communications Technology.

- The Minister for Finance and Communities, Edwina Hart, is responsible for the finances of the government of Wales including the achievement of value for money

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7 Rhodri Morgan, *Check Against Delivery*, Address to the Institute of Welsh Politics, Aberystwyth, 13 November, 2000
and local government finance. She is responsible for achieving social inclusion and the regeneration of Wales’ most disadvantaged communities. She will be responsible for the National Assembly's relationship with local government, housing, and for the relationship with police authorities and others in achieving community safety.

- The Minister for Education and Life-Long Learning, Jane Davidson, previously the Deputy Presiding Officer, is responsible for all aspects of education, training and lifelong learning.

- The Minister for Culture and Sports, Jenny Randerson, is responsible for arts, sports, libraries, museums and the languages of Wales.

- Minister for Environment, Sue Essex, is responsible for the environment, sustainable development, transport and planning.

- The Minister for Rural Affairs, Carwyn Jones, is responsible for the development of the more rural parts of Wales, including agriculture, forestry, fisheries, and the development and promotion of food production.

- The Minister for Health and Social Services, Jane Hutt, is responsible for the health service and the promotion of better health, for all aspects of social services and services which relate to children and young people, including youth justice.

Rhodri Morgan’s assumption of “special responsibility for the north of Wales” was a recognition that all nine members of his Cabinet represent constituencies in the south, with six of them having their political roots in the capital. He defended the appointments against attacks from Plaid Cymru and the Conservatives on the grounds that they were the best people for the job. Nonetheless, the geographical concentration prompted a good deal of criticism, not to say resentment, especially in north Wales.

More generally, the new Cabinet entailed a restructuring of the previous line-up to accommodate the Coalition Agreement’s commitment to create a single Education portfolio and add a new brief for Culture. In addition the responsibilities of the Finance Minister were extended to embrace housing and local government, thereby absorbing the Cabinet position previously occupied by Peter Law. Alongside the new Cabinet posts Rhodri Morgan appointed five Deputy Ministers in place of the previous three:

- Alun Pugh as Deputy Minister for Economic Development
- Liberal Democrat Peter Black as Deputy Minister for Local Government
- Brian Gibbons as Deputy Minister for Health
- Delyth Evans as Deputy Minister for Rural Affairs, Culture and Environment
- Huw Lewis as Deputy Minister for Education and Lifelong Learning
Christine Chapman, formerly deputy Minister for Economic Development, took over from Rhodri Morgan as chair of the Monitoring Committee responsible for overseeing implementation of the Objective One programme. Karen Sinclair was promoted from Deputy to Government Chief Whip. In combination these appointments create a Ministerial team which is 16 strong. Add the positions of Presiding and Deputy Presiding Officers and this leaves an Assembly with just 42 members from whom the full range of Opposition spokespersons have to be drawn as well as personnel to run an expanding committee system. One inevitable consequence will be to push the Assembly’s relatively small membership higher up the constitutional agenda.

**Political Background**

The origins of the coalition go back to the fall of the Assembly’s inaugural First Secretary Alun Michael, in February 2000. At that point it became clear that in the medium term the minority Labour Administration would need to find some new accommodation with the Opposition parties to provide for greater stability in the Assembly. Indeed, in one television interview when the coalition deal was announced, Rhodri Morgan said that when he had taken over from Alun Michael he had received an authorisation from the Welsh Labour Party Executive that, should he judge a coalition was necessary, he could pursue one: that had been a condition under which he undertook the Labour leadership in the Assembly.

Looking back it is now clearer why Rhodri Morgan refrained from making any substantive changes to his Cabinet when he first took office and, indeed, why he continued to hold on to his Economic Development portfolio. Announcing the new coalition he referred specifically to the difficulties that the minority Administration had experienced because it had been unable to rely on a majority to get its programme through:

> “The National Assembly is a new fledgling institution. It is inevitable when people see a lot of political shenanigans and an administration that is repeatedly hamstrung and deflected from its aims to do its best for Wales that they question its benefits. This positive partnership will provide the unity of purpose to deliver good government and has the wholehearted support of my Cabinet.”  

What was also clear was that the minority administration had first to deal with the major issue that had precipitated Alun Michael’s resignation, before it could secure a deal. This was the thorny question of match funding for the west Wales and the Valleys Objective One region, which had to await the Chancellor’s Comprehensive Review in July. Once that was out of the way and it was clear that sufficient extra funds would be coming to Wales over the next three years to underpin the Objective One programme, the Liberal

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8 Government of Wales Press Release, 5 October.
Democrats could be brought on side. The importance of this sequence of events was underlined by Rhodri Morgan in a speech to the Institute of Welsh Politics in Aberystwyth in November:

“We can develop further through having a majority-based government because we have largely lanced the boil of Objective 1 funding and the wider issue of having a three-year budget via the comprehensive spending review. That allowed us to achieve an agreement with another party to take us to a majority. This is an adequate majority to work on to deliver policies based on the comprehensive spending review. If you have the support of the majority in the Assembly you can push forward a series of objectives, jointly with the Liberal Democrats in this case, and build on the agreed corporate plan of the Assembly – Betterwales.com”

From a Liberal Democrat point of view the Partnership Agreement contains a raft of their policies – they claim more than 100 – that were enshrined in their Manifesto Guarantee Delivery for the first Assembly elections in May 1999. In his speech to the Autumn conference which overwhelmingly endorsed the coalition, Mike German went out of his way to emphasise this point:

“There are more than 100 ideas here on which we fought an election 17 months ago. These ideas - our policies - are what we are in politics for. They are our identity and our best interest. If you pass this motion today, Welsh Liberal Democrats will succeed in making the Assembly recruit a further 700 teachers in Wales, a commitment not made in Labour's manifesto. These teachers will help reduce class sizes for pupils aged 8-11.

If you pass this motion today, Welsh Liberal Democrats will succeed in making the Assembly spend an extra £150 million next year to cut hospital waiting times, a commitment not made in Labour's manifesto. And if you pass this motion today, Welsh Liberal Democrats will succeed in making the Assembly provide an extra £60 million of support to Welsh farmers and rural communities, a commitment not made in Labour's manifesto.

And that's not all. We have got Labour's agreement to an immediate investigation into student hardship and funding. Similar to the Scottish Cubie Commission, this could well be the first step towards the abolition of student tuition fees. Not only was this certainly not in Labour's manifesto, we didn't think it realistic enough to put in ours! The Independent Review of local government voting systems is another achievement in the same vein. Labour are committed to Assembly sponsored legislation in Parliament and, like Scotland, we could well see the introduction of PR.”

However, despite such Liberal Democrat claims there was little in the Partnership Agreement that a Welsh Labour conference would baulk at, apart perhaps from the

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9 Rhodri Morgan, op. cit.
10 Michael German, Address to the Welsh Liberal Democrats Autumn Conference, 15 October, 2000
undertaking to consider PR for local government elections. What was most remarkable about the coalition deal was the concession by Labour of two Cabinet portfolios to the Liberal Democrats, and in particular the high profile position of Minister for Economic Development with its responsibility for carrying through the Objective One programme. The additional title of Deputy First Minister was salt in the wound for some Labour activists, though the precedent set in Scotland probably required that.

There were two interpretations for this high profile concession by Labour. The first, and most cynical, was that Labour was not unhappy with the Liberal Democrats carrying responsibility for the success of the Objective One programme, fraught as it was with so many difficulties in implementation. The more likely explanation, however, was that there was no obvious personality on the Labour side who easily met the requirements of the post.

Policy Innovations

The key proposals in the Partnership Agreement were summarised by the Administration in a Press Release issued the day of its announcement, on 5 October, as follows:

Education and Lifelong Learning

- Provide an additional £65m over the next three years which would, for example, enable the recruitment of up to 700 new teachers.
- Provide free school milk for all infants to recognise the link between a balanced diet and the ability to learn.
- Increase by 15% funds to tackle student hardship. We will also establish an inquiry into access to Higher Education with a commitment to increasing funding. This will operate on similar lines to Scotland's 'Cubie Commission'.
- Make available £200 million over the next three years in an ambitious school building programme, to tackle the serious backlog of repairs in Wales.

Health

- We will uplift total Welsh health budget by over £1 billion over the next three years.
- We will also invest £200 million on the NHS capital programme to improve long-term clinical capacity.
- Freeze prescription charges for all.
- Provide free dental checks for the over 55s and under 25s to tackle dental problems where they are most acute.
• Boost frontline medical services by providing extra beds and investing £5 million in the Ambulance Service.

Rural Affairs and Agriculture

• Provide £60 million extra support over and above existing spending plans over the next three years to alleviate the problems of Wales' hard-pressed rural communities.
• Press for a moratorium on all GM crop trials in Wales in order to operate the most restrictive policy possible within the context of existing EU legislation, on future GM crop development within Wales.
• Increase current investment in the agri-environmental sector, particularly the Tir Gofal scheme.

Environment, Transport and Planning

• Provide an extra £6 million over three years for buses, particularly in rural areas.
• Protect local environmental standards by concentrating road building on congestion points on existing roads rather than on new large-scale road building.
• Develop an air quality strategy with strengthened powers for the Environment Agency.
• Support the introduction and development of the single rail franchise for Wales and the borders.

Local Government and Housing

• Ease the burden on local tax payers by ensuring that council tax increases do not need to rise this year by more than an average of 5% per annum for the duration of the agreement.
• Invest £21 million to improve the quality of housing to tackle social injustice in housing.
• We will bring forward legislation to assist homeless people across Wales.

Enterprise and Economic Development

Increase funding to the Welsh Development Agency, the Welsh Tourist Board and other bodies by £60 million, to enable them to benefit from match funding. Implement the Assembly's decision to establish a Community Investment Authority to channel funding to community and voluntary enterprises. Develop a strategy for the encouragement of credit unions, as a means of promoting local economic development and of providing access to financial services for those currently excluded from them.
Establish a 'Business Birth-Rate Strategy' for Wales to support new businesses and help them grow.

**Arts, Culture and Sport**

Create a new Assembly Secretary for the Arts, Culture, Language and Sport, in order to reflect the importance of the cultural sector within Welsh life.

Broaden the ongoing review of the Arts Council to include further work on developing adequate funding for the arts.

Restore the place of sport in schools and improve standards of training, particularly in primary schools.

**Better Government**

Promote openness and accountability in the Assembly, and consolidate the role of Assembly committees.

Improve the democratic accountability of Assembly sponsored public bodies (the quangos).

Introduce a Protocol on Freedom of Information for the Assembly, by the end of the year, going beyond the requirements of the Westminster legislation.

Establish a 'green audit' of the Assembly's policies and introduce quality of life indicators.

Strengthen representation of black and ethnic minority communities, building on the work of the Assembly's Equal Opportunities Committee.

As we have seen delivery of much of this agenda was signalled by the new administration’s *Programme for Government* for 2000–01, announced in Assembly plenary session by First Minister Rhodri Morgan on 21 November and reproduced in Appendix 1. As stated earlier the speech will become an annual event in the Assembly’s calendar, on the pattern of the Queen’s Speech at Westminster. This was something of a *de facto* constitutional innovation. It provided a response to a question that had dogged the operation of the Assembly over the previous year: how could its administration have such a programme in the absence, not only of legislative power, but of a majority as well?

**Constitutional Developments**

An important innovation in the Partnership Agreement was the designation of the Executive as the “new Government”. In a joint statement placed at the head of the Agreement document Rhodri Morgan and Mike German emphasised that it was
“… not a relaunch of the existing administration. It is a new Government; a partnership Government which exists for the benefit of the people of Wales.”

The new style was underlined by a renaming of the Cabinet Secretaries. Henceforth, they were to be described as ‘Ministers’. A Government Press release offered the following rationale:

“The term ‘Minister’ has now been adopted by the Cabinet in order to distinguish clearly between members of the Cabinet and members of the Civil Service where the term ‘Secretary’ is a common title. This change will provide clarity for the public about lines of accountability and bring Wales into line with practice in the other devolved administrations in the UK.”

In these matters presentation is all important, as was picked up in short order by MPs hostile to devolution at Westminster. Conservative Welsh Affairs spokesman Robert Walter raised the matter as a point of order after confusion at Welsh Questions on 15 November. Speaker Michael Martin ruled that the Commons should stick with the name for the post as set down in the Government of Wales Act. In Wales, however, the change continued. Indeed, the Assembly’s Presiding Officer Lord Elis-Thomas challenged the Speaker’s ruling:

“I do not feel that what occurred in the House of Commons was within the spirit of devolution and I will certainly try to put that right.”

De facto, if not de jure, the Assembly was moving inexorably towards the separation of powers characteristic of parliamentary government. The final section of the Partnership Agreement, on Better Government, contains some significant commitments. Taken together they reveal a further indication of a determination to take the Assembly in a parliamentary direction. In the first place is a commitment to establish an independent Commission into the powers of the Assembly, which can only mean an examination of the case for full legislative powers:

“We will, before the end of the Assembly’s first term, establish an independent Commission into the powers and electoral arrangements of the National Assembly in order to ensure that it is able to operate in the best interests of the people of Wales. This review should investigate inter alia the extension of proportionality in the composition of the Assembly, and of the relevant competencies devolved. The review shall publish its recommendations in the first year of the second term of the National Assembly in order to enable adequate reflection on the Assembly’s first complete term. Whilst recognising that this Partnership Agreement will have expired on completion of this review we will ensure that arrangements are put in place in advance to ensure that the Assembly as a whole has the opportunity to

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11 Putting Wales First: A Partnership Agreement for the People of Wales, 6 October 2000, p.3
13 Western Mail, 17 November
press the UK government to bring forward any appropriate primary legislation necessary to ensure that its recommendations can be fully implemented.”

Apart from this longer term commitment to examine the case for further constitutional change the new coalition put in place for the first time a strong executive with a secure majority and, moreover, a clearly articulated programme for government. The deficiencies of the creation of the Assembly as a body corporate was much discussed during its first year. This constitutional status, laid down in the Wales Act, meant that the Assembly was a single legal personality, there was no formal distinction between the executive and the legislature, and all members of the Assembly shared responsibility for its decisions. In practice, the establishment of a Cabinet within the Act created a de facto separate Executive. The overall result, however, was some confusion and a lack of clarity about where powers lay that the Assembly spent much of its first year in resolving. As the Presiding Officer put it, in a speech looking back on the Assembly’s opening months:

“The difficult and complex growth of parliamentary-type government in the National Assembly, from within the body of territorial administrative/executive government in the previous system has provided the main drama of the first year of powers ...”14

In political terms the coalition’s creation of a government sure of its majority with a more focused policy programme gave considerable impetus to the momentum towards parliamentary-type government that the Presiding Officer describes. Moreover, the creation of a strong executive gave a stronger focus for the Opposition in the Assembly. This last dimension was demonstrated within a matter of days when backbench members voted against the Coalition Government’s nominee for Deputy Presiding Officer, former Cabinet member Rosemary Butler. Instead, they supported the Wrexham Labour AM John Marek, albeit by one vote. It was estimated that five Labour and two Liberal Democrat AMs joined with Plaid Cymru and the Conservatives to secure this result in the secret ballot.15 In practice, such political realities as these are likely to achieve more than any constitutional declarations in establishing a strong executive government within a de facto parliamentary system in the remaining three years or so of the Assembly’s first term.

Meanwhile an earlier commitment to undertake an Operational Review of the way the Assembly was working, announced by Rhodri Morgan in July16, was overtaken to some extent by the coalition and the strenuous efforts that were necessary to put it place. The Partnership Agreement endorsed

“… the cross-party review of Assembly procedures initiated by the Executive and being carried out under the auspices of the Presiding Officer.”

14 Lord Elis-Thomas, The National Assembly: A year in Power?, Address to the Institute of Welsh Politics, University of Wales, Aberystwyth, 8 July 2000
15 Western Mail, 20 October 2000.
However, at the end of November terms of reference for the review had still to be published.

The Civil Service

One of the more striking commitments in the Partnership Agreement, little commented upon at the time, was an undertaking to move the Welsh civil service in a more autonomous direction. Given the sensitivity of the matter, the terms in which this aspiration was couched were remarkable:

“We will review the existing structures and workings of Assembly officials to ensure they are in tune with the reality of political devolution. We seek to move towards an increasingly independent and Welsh-based civil service – investigating ways of introducing an Assembly ‘fast-track’ programme to attract and retain high quality staff. We will also investigate extending the Assembly’s current policies on mature recruitment and secondment.

The need to ensure that Assembly officials should be ‘in tune with the reality of political devolution’ could only reflect a dissatisfaction with experience hitherto. There was a feeling, certainly on the part of the Liberal Democrats who drafted this clause, that civil servants were continuing the old Welsh Office practice of constantly deferring to Whitehall and being reluctant to countenance Welsh policy initiatives. The outlook was not only confined to the Liberal Democrats. First Minister Rhodri Morgan explored the same issue at some length in the speech he gave to the Institute of Welsh Politics in November. Recalling his own time as a civil servant at the Welsh Office in the late 1960s he drew a comparison with the relative autonomy of the Scottish Office:

“In the Scottish Office which had been around for 100 years they had developed a tradition of independent policy. The Welsh Office had no capability of policy-making at all in the late 1960s. Likewise you promoted staff in the Scottish office on the basis that they had put one over Whitehall. You promoted staff in the Welsh Office on the basis of whether they had kept their nose clean with Whitehall. I hope that’s not entirely true today but you are still struggling against a very long tradition where there is not an experience of autonomous policy-making. It was made much worse by the policy top-slicing which occurred under the Redwood cutbacks in the civil service in Wales with the loss of 600 jobs in Cardiff. This led to the loss of the people aged 50-plus, people with experience and capability. Policy-making was top sliced just at the time when it needed to be coming up maximum strength for the incoming Assembly ... What we need now that we have the devolution settlement is to create a positive problem-solving political culture. We need to generate a policy-making ability in a Welsh context and get rid of the old habits which still inhibit that process”.

17 Rhodri Morgan, op.cit.
2. OFFICE OF THE PRESIDING OFFICER
John Osmond, IWA

The Partnership Agreement also addressed a central debate during the previous year over the relationship between the Assembly and the Executive, and the role of the Office of the Presiding Officer as the interface between them. On this matter the Agreement was unambiguous:

“We will secure the independence of the Office of the Presiding Officer and the civil servants that work there.”

This undertaking put in place a defining characteristic of a parliamentary body, and a de facto move away from the Assembly’s de jure constitutional status as a corporate body, laid down in the 1998 Government of Wales Act. The Presiding Officer’s independence is necessary if a clear separation of powers between the executive and legislature is to apply. This was expressly recognised by the Assembly in October when it approved (by 50 votes with none opposing) a New Standing Order No 28 establishing a House Committee to advise the Presiding Officer and to determine a separate budget for his Office. As the Minister for Assembly Business, Andrew Davies, put it:

“The creation of a separate budget for the Office of the Presiding Officer will formalise greater independence of the Presiding Officer and his office.”

Acknowledging this the Plaid Cymru leader Ieuan Wyn Jones greeted the change as ‘an historical step forward’:

“I accept that the changes go as far as possible towards securing the independence of the Office of the Presiding Officer within the restrictions of the Government of Wales Act 1998. We must accept that there has been an attempt to secure as much independence as possible, and that is of benefit to everyone in the Assembly outwith the Executive. That includes Labour back-bench members, the Liberal Democrats who will remain on the back benches and everyone else in the Assembly. This is an historical step forward and I will make a party political point in closing, by expressing the hope that this will be a way of persuading the Government in London that the days of the body corporate are over.”

A debate on establishing a budget for the Office of the Presiding Officer followed on from the approval of the new Standing Order. In it Finance Minister Edwina Hart announced she was allocating an extra £2 million to the office over and above the £22.3 million in the Assembly’s draft budget, funded out of unspent administration provision from 1999-2000. She said she wanted services for members to improve “year on year”:

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18 Assembly Record, 10 October
19 Ibid.
“For this reason, and because your Office will assume new responsibilities and functions in several areas, I have included extra provision in the proposed budget.”20

Through the previous summer an ad hoc Committee made up of officials from the Office of the Presiding Officer and the Cabinet Office met to work through the changes which taken together are substantial:

- Amendment of Standing Orders to enable the creation of a separate budget for the Office, £24,269,000 now available for 2001-02, out of which is paid Members and Officials pay and allowances, Assembly accommodation and associated IT and general administration. The budget would be updated each year to take account of any increased costs.

- Making the Clerk to the Assembly, the Office’s chief official, an Accounting Officer in addition to the Permanent Secretary, Jon Shortridge. This should increase the areas for which he is directly responsible, providing scope for a distinctive approach to staff recruitment and deployment within the Office.

- The creation of a House Committee, chaired by the Presiding Officer with representatives from all parties in the chamber, to oversee the Office.

All this was agreed by the ad hoc Committee representing what has emerged ever more clearly as the two civil service components within the Assembly, and as we have seen, with cross-party support. What have been laid down in principle are a new set of principles to guide the way the Office of the Presiding Officer should work in future. However, their practical implementation are likely to produce further tension and struggle. For instance, the separate budget has so far proved disappointing to the Office of the Presiding Officer. This is because no means have yet been found of spending the money without recourse to the Executive: every aspect of the Office’s expenditure in terms of procurement rules, the involvement of the Assembly Compliance Officer and the Finance Division are still controlled by the Executive. The same applies to staff recruitment and personnel functions.

Equally the new House Committee is not a Committee with executive powers, as is the case its equivalents in the Scottish Parliament and Northern Ireland Assembly. Instead, it remains an advisory Committee, albeit with an enhanced remit, advising the Presiding Officer, the Clerk and the Assembly. Its remit is essentially Members’ services and in respect of these it advises only the Clerk as he is the Accounting Officer and the only person with delegated responsibility to spend money. In turn, the Clerk is bound by Executive-governed procedures and by the Permanent Secretary as his line manager.

No doubt in part because of these continued restrictions, the new dispensation was put to an early test by an ill tempered dispute between the Presiding Officer Lord Elis-Thomas

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20 Assembly Record, 10 October. One new function would be for the Office of the presiding Office to take over running of the Pierhead Building (across the road from the main Assembly building) which was being converted into a public Information and Education centre to promote the Assembly’s work.
and the Permanent Secretary Jon Shortridge. It was sparked by a minor amendment to an Assembly resolution on Sustainable Development, passed by a combination of Plaid Cymru, Liberal Democrat and Conservative votes on 14 September (before the coalition was in place). The amendment required that the civil service Sustainable Development Unit, housed within the Agriculture Department of the Assembly, be relocated to the Central Policy Unit. The objective was to give the administration of sustainable development policy greater prominence and enable it to operate within a cross-cutting milieu, to reflect its impact across the range of the Assembly’s responsibilities.

However, the Permanent Secretary objected to the move, partly on grounds of cost but, more fundamentally, because he felt it should be for himself rather than politicians to make operational decisions on how the Assembly’s civil servants should carry out their duties.21 Certainly this was the reason why the Labour side opposed the change in the debate. First the Permanent Secretary questioned the legality of the decision and was advised by Office of the Counsel General that the Assembly had operated within its powers in passing the amendment. In early November he approached Plaid Cymru to see if they would reconsider, but did not reveal that he had sought legal advice. This brought an angry response from the Plaid Cymru leader Ieuan Wyn Jones:

“We were told this was a staffing matter which should not have been considered by the Assembly. I am astonished that during those discussions no mention was made of the legal advice that the Assembly had the power and authority to decide how the policy unit should be structured.”22

The issue came to a head on 8 November during a meeting of the party leaders in the Assembly at which both Lord Elis-Thomas and Jon Shortridge were present. There were ill tempered exchanges between the two men which, the following day, caused the Presiding Officer to send the Permanent Secretary a strongly worded letter, defending his right to uphold Assembly decisions and attacking the civil servant for seeking to circumvent them. The letter was widely copied, to the party leaders and others, and duly leaked to the Press:

“At the party leaders’ meeting yesterday an issue was raised relating to the question of an amendment to the sustainable development motion of 14 September. I had selected this and the amendment to the motion and the motion itself were subsequently passed by the Assembly in plenary. My judgement in this matter and my right to accept the motion were challenged by you, as Permanent Secretary. I see this as a challenge both to my authority as Presiding Officer and to the powers of the Assembly to instruct the Executive and I am determined that for the sake of the Assembly and for that of the independence of my office I cannot allow either.

I have received clear and unambiguous legal advice on this manner which I attach for your benefit and for that of party leaders. The advice from my Legal Adviser, which concurs with earlier legal advice received from an Office of the Counsel

21 Clive Betts, One Battle the Civil Service Cannot Win, Western Mail, 11 November
22 Western Mail, 14 November
General lawyer, confirms that it is within the competence of the Assembly to direct what should be included in the structure of the Assembly. As to the acceptance of the amendment, under Standing Order 6.13 that is a matter for me alone; my determination on the authority to do this, under Standing Order 1.9, is final and not subject to challenge. The Assembly has now instructed you as Permanent Secretary to act accordingly and failure to do so would, in my view, be to defy the will of the Assembly.

This matter and your handling of it raises a more fundamental issue of great concern to me as it represents a challenge by an official to the authority of the democratic process and seeks to undermine the powers of the Assembly. As Presiding Officer I consider I have a duty to defend these. I am also concerned that your actions in seeking to question my authority and the decisions which I take as the person elected by the Assembly to make the necessary judgements in such matters constitutes a serious impropriety: it is not the place of an official to seek to question my decisions, which I take on behalf of the Assembly, having considered any advice which I deem to be necessary.

I have decided that I shall not in future attend these meetings given the real concerns about their remit and your role in them. I am copying this letter to party leaders, to the Minister for Assembly Business, the Deputy Presiding Officer and to Sir Richard Wilson. I am also seeking to raise this matter privately with Baroness Prashar, the First Civil Service Commissioner."

On receipt of the letter it is understood that Sir Richard Wilson rang Jon Shortridge with the offer that he would request the Prime Minister to speak with Lord Elis-Thomas in an effort to smooth things over, an offer that was declined. The real source of the dispute is all the more difficult to fathom since, as we have seen, the virtual independence of the Office of the Presiding Officer had been secured and, moreover, Jon Shortridge himself was away from work for much of September and October due to illness. There seems little doubt that the argument over the siting of the Sustainable Development Unit was merely the culmination of a succession of disputes that reached back the best part of a year. Among them were:

- An argument in November 1999 over whether Members should have the right to question the Secretary of State for Wales after he had addressed the Assembly on the Westminster Government’s forthcoming programme. When the Presiding Office ruled that he should take questions, the Administration brought pressure to have the ruling withdrawn.

- A dispute early in 2000 over whether the Administration could have a veto on who should meet with visiting dignitaries. Such visits come within the purview of the Office of the Presiding Officer. On this occasion the Administration objected to the Plaid Cymru’s Chief Executive, Karl Davies, meeting with an overseas delegation visiting the Assembly, an objection that was overruled.
• A major row over procedures surrounding the vote of no confidence in First Secretary Alun Michael, in February 2000. The Administration sought to impose its own legal advice on the Presiding Officer, resulting in him seeking his own, independent advice.23

• A dispute in July over what resolutions, approved by a majority in the Assembly had been acted upon or ignored by the Administration.

• Also in July the Presiding Officer intervened in a dispute between Jon Shortridge and the Conservative Member, William Graham, then Chairman of the Pre-16 education Committee. Graham had publicly criticised the Counsel General for advice he had given his committee over the issue of performance-related pay for teachers. As a result he received a rebuke from Jon Shortridge who, in a letter called on William Graham to withdraw and make a public apology. In turn this prompted a sharp letter from the presiding Officer accusing the Permanent Secretary himself of breaching "a fundamental principle of parliamentary democracy in seeking to rebuke an Assembly Member."24

On all these occasions the Presiding Officer sought variously to defend decisions made by the Assembly, the position of backbench Members, and the integrity of his own Office. One way or another on these and other occasions he perceived the Assembly to be under attack from the Executive. The reluctance of the Permanent Secretary to move the Sustainable Development Unit in line with the Assembly’s decision was a last straw.

Underpinning these disputes, which occurred as regular flashpoints throughout the first year of devolution, were different perceptions of the Assembly’s role and the way it should develop. From the point of view of the Presiding Officer the higher echelons of the civil service in the Executive were endeavouring to operate as though the old Welsh Office was still in existence, with the Assembly itself as merely an add-on, essentially an advisory body. It would follow the advice of the Assembly as and when it pleased. On the other hand, from the point of view of the Executive, the Presiding Officer was seeking to push the remit of the Assembly beyond what was laid down or envisaged in the Government of Wales Act. The result was to push the Assembly in the direction of a parliamentary body with aspirations for ever widening powers, and in the process place restrictions on the Executive’s room for manoeuvre.

These broad-brush assessments are inevitably that, and to an extent a caricature of the position held by both sides. However, they describe the kernel of the argument. This assessment is confirmed by an extraordinary attack mounted on Lord Elis-Thomas in the wake of the Sustainable Development Unit row, by the Political Editor of the Welsh Mirror, Paul Starling. He accused the Presiding Officer of seeking “to run the whole Assembly.” The article is noteworthy mainly because it acknowledges as its source “very


24 A full account of these exchanges is contained in the previous report, Devolution Looks Ahead: Monitoring the National Assembly May to August 2000, pages18-20, IWA, September 2000.
senior figures”, by implication politicians and/or civil servants in the Executive, who had briefed the author with background material. 25 The thrust of the article was that the Presiding Officer was suffering delusions about his role, was empire-building, and was seeking ever more powers to run the Assembly as a whole. As we have seen, however, this turned reality on its head. Rather, the Presiding Officer was attempting to defend the Assembly and its backbenchers from being undermined by the Executive.

At the same time there is no doubt that the Presiding Officer has an agenda, which is to change the constitutional status of the Assembly from being a corporate body into a parliamentary institution with a clear separation of powers between the executive and the legislature. The key role that an independent Presiding Office should play in such a transformation is highlighted in a note, produced by the ad hoc Committee of civil servants which negotiated the changes to his Office over the summer. This was circulated to party leaders in the Assembly on 11 September. Produced in full as Appendix II, the central sections state:

“The Presiding Officer holds the position equivalent to the Speaker in Parliament, carrying out his role independently of the Assembly's Executive. His function, and that of his Office (OPO) is to represent the interests of all Assembly Members and to ensure that the business of the Assembly is discharged smoothly and impartially and in keeping with the best traditions of representative institutions. In particular, OPO has the role of ensuring that Assembly members can effectively scrutinise the work of the Assembly's Executive. If OPO is to perform these roles effectively it is essential that it is, and is seen to be, independent of the Assembly's Executive.

The arrangements that are being put in place are an important clarification of the constitutional position of the Presiding Officer and the enhancement of the role of OPO. They have been developed according to the following principles:

- The Presiding Officer and his Office are independent of the Assembly's Administration;
- The Presiding Officer has overall responsibility for the conduct of the Assembly business, and for the exercise of Standing Orders;
- OPO is directly accountable to the Presiding Officer and the House Committee, and through them to the Assembly;
- The Clerk to the Assembly (the Clerk) and his/her staff are to have maximum operational independence to carry out OPO's functions in support of Members and the Assembly's business in accordance with the Assembly's wishes and those of the Presiding Officer;

25 Paul Starling, Democracy at stake, Dafydd, Welsh Mirror, 17 November. In it he states “… the bombardment I’ve had from very senior figures over the past two weeks has forced me to take the little man [the Presiding Officer] a little more seriously.”
• The staff of OPO will remain Civil Servants, ultimately accountable on staff management matters to the Permanent Secretary. The Permanent Secretary will formally delegate the exercise of those functions within OPO to the Clerk insofar as this is permissible under the law.

• The Office of the Presiding Officer will have its own budget, determined directly by the Assembly.”

As was emphasised earlier, the changes listed here mark a highly significant development in the evolving constitutional architecture of the National Assembly. In so far as the Assembly can act to change its own constitution without achieving an amendment to the 1998 Government of Wales Act, it has done so. *De facto*, though not *de jure*, it has put in place a structure than has the potential to ensure the independence of the Office of the Presiding Officer. In turn this has cleared a path towards achieving a separation of powers between the executive and the legislature and the creation of body more parliamentary in character than corporate. As we have also seen, this has not been achieved without a struggle, and doubtless there will be further struggles ahead to achieve in practice what the aspirations contained in new Standing Order No 28 lays down in principle.
3. THE ASSEMBLY
   John Osmond, IWA

An immediate impact of the coalition agreement and the formation of a majority government was to change its relationship of Government and Opposition. Plaid Cymru President Ieuan Wyn Jones won the title of Leader of the Opposition and immediately made demands for greater precedence in plenary debates and a greater prominence for his party on the Subject Committees.

The New Subject Committees

The Coalition agreement resulted in a recasting of the committee structure and consequently the allocation of Chairs. The previous two Education Committees were merged into one and a new Committee for Culture added. In the Business Committee Plaid requested chairmanship of the Economic Development and Health Subject Committees (formerly it had chaired Post-16 education and Agriculture). However, in behind-the-scenes negotiations with the Conservatives, the Administration succeeded in outflanking these demands. The Conservatives were offered the Chair of the Agriculture Committee and given an extra place on the Economic Development Committee. Labour kept the chairs of Economic Development, Environment and Local Government; the Liberal Democrats retained Health; and Plaid Cymru was left with Education and Culture. A full list of the Committees and their membership is contained in Appendix III. The Subject Committee Chairs that resulted from this process were:

- Economic Development – Val Feld (Swansea East, Labour)
- Environment, Planning and Transport – Richard Edwards (Preseli, Labour)
- Local Government and Housing - Gwenda Thomas (Neath, Labour)
- Health and Social Services - Kirsty Williams (Brecon and Radnor, Liberal Democrat)
- Education and Lifelong Learning - Cynog Dafis (Mid and West Wales List, Plaid Cymru)
- Culture – Rhodri Glyn Thomas (Carmarthen, Plaid Cymru)
- Agriculture and Rural Development – Glyn Davies (Mid and West Wales List, Conservative)

It was widely recognised on all sides in the Assembly that the creation of the majority coalition, with a more clearly defined programme for government as laid out in the
Partnership Agreement would accentuate the role of the Subject Committees in holding the government to account. The case was made strongly by Plaid Cymru’s leader Ieuan Wyn Jones who said he wanted Cabinet ministers to be questioned in Committee in a more formal way than had developed in the Assembly’s first year:

“This is what happens in the Scottish Parliament which has possessed a governing majority since it opened. Our Committees will become more like the Select Committees at Westminster. Although Cabinet Ministers attend the meetings of their own Subject Committees, it is basically to report on what they are doing rather than be quizzed and investigated. We want the Minister to appear in order to explain government actions. Currently, the Assembly lacks scrutiny of its Executive.” 26

The Coalition’s Partnership Agreement *Putting Wales First* appeared to support this approach

> “Within the context of the ongoing Assembly Review, we will seek to develop the role of the Assembly’s Committees, and their ability to scrutinise the Executive.”

At the same time, however, the Agreement also emphasised the continuing role of the Subject Committees in policy development or, as it put it, ‘formulation’:

> “We will ensure that the Assembly Committees have the necessary access to civil servants and independent legal advice in the context of policy formulation and secondary legislation.”

Rhodri Morgan developed his own thinking on this in his speech to the Institute of Welsh Politics in November:

> “Now that we have a majority Cabinet, which can to a large extent get motions through, what effect does that have on the position of the Committees of the Assembly? Are those Committees going to be simply there to probe and scrutinise and find the weak points in the armoury of the minister? Or can you still have Subject Committees which will be scrutinising and being very hostile at times, but other times sharing the role of developing policy suitable for Wales? I believe that the Assembly’s Subject Committees do have to continue to have this dual function of scrutiny and policy-making. There is still a role for both. It would be failing a small country like Wales if you exclude the two parties not in the government from the development of policy solutions. I don’t think we have the wealth of think-tanks, Universities and professional associations, organised interest groups and corporate lobby bodies and political consultancies of London, therefore we substitute all that by having all four parties involved in the development of policy.” 27

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26 Western Mail, 25 October 2000
27 Rhodri Morgan, *op.cit.*
The Regional Committees

The role of the Regional Committees in the Assembly also came within the purview of the Partnership Agreement:

“… we will look to clarify the role of regional committees, in order to help decentralise power more effectively within Wales. We will improve the interface between the Regional Committees and the Assembly, creating a structure in which business can flow smoothly between their agendas.”28

This followed a motion agreed by the Assembly on 28 June 2000 proposing to strengthen the role of the Regional Committees by enabling them to report back to the Assembly via the Subject Committees and giving them the ability to take evidence. The background to these commitment was concern that the four Regional Committees – for north, mid, south west and south east Wales – were not operating as effectively as they might. This was underlined by the Liberal Democrat AM Peter Black, writing in the journal Planet:

“The perception, particularly in north Wales, is that they need more influence and authority. For that to happen it is important that members take them more seriously. As Chair of the South West Wales Regional Committee, I was obliged to cancel one meeting earlier this year when only four of the Committee’s 17 members indicated that they could attend … it is apparent that for a significant number of members other engagements took priority. That this was so reflects a view amongst members, I believe, that the Regional Committees do not count as much as the Subject Committees and the Plenary Session itself.”29

Objective One

The immediate impact of the new majority government on debates and decisions in the Assembly was demonstrated very soon in a plenary debate on the issue that had done most to bring the coalition about: Objective One. On 17 October Plaid Cymru tabled a Minority Party Debate on the European Structural Funds. The motion called for improved implementation of the programme and continued pressure on the Whitehall Treasury to produce 100 per cent of the match funding required.

In the debate Plaid Cymru received support from the Conservatives. And before the coalition there is little doubt that the same would have been forthcoming from the Liberal Democrats, with the three Opposition parties combining to defeat the minority

28 Ibid., p. 23.
29 Peter Black, How Honest Can Politics Be?, Planet No 143, Aberystwyth, October-November 2000
Labour government. As it was, however, the new coalition government saw off the Plaid Cymru motion by 26 votes to 22.

In the debate Plaid Cymru’s spokesperson Phil Williams spoke of

“… a rising tide of concern about the problems and delays in the implementation of Objective One.”

While the Conservative’s Glyn Davies declared:

“We are more than three-quarters of the way through [the first year of] the programme and nothing has been spent yet. There are reports of confusion among different groups covering the same geographical area, and there is no clarity about where responsibilities lie. Officers are resigning, referring to the implementation process as a nightmare …”

However, the new Economic Development Minister, Mike German, was robust in his response:

“We have come to a new point in this programme. We have turned a corner from dealing with issues of structure and so on, and moved forward, allowing the Programme Monitoring Committee to get on with delivering the programme … I am happy to announce that 16 projects will receive funding of up to £27 million under approval letters issued today. This will provide support for some 60,000 people across Wales … What this programme is about now is delivery.”

Pressed on where a further £60 million of matched funding for Objective One, referred to in the coalition Partnership Agreement, was to come from, he said it would be found within the overall Welsh budget and had been agreed as part of the negotiations between Labour and the Liberal Democrats:

“The money comes from the settlement for Wales, which has now been divided in accordance with the agreement in the partnership document. That is before us, and therefore you can see where it has come from as well as who has delivered it and who is delivering it.”

Sustainable Development

The Wales Act obliges the Assembly to develop a scheme for Sustainable Development. It is believed to be the first such legislative requirement placed upon a representative
body, certainly within Europe. In September the Government published a draft scheme which was formally approved at the end of a short debate in November. There intervened a more substantive and sharper debate in early September, before the coalition government, when the minority Labour government was defeated on a number of significant amendments. The most significant in constitutional terms proved to be one that had very little to do with sustainable development. This was that the civil service Sustainable Development Unit should be expanded and re-located from the Agriculture Department to within

“ … the Assembly’s main Policy Unit, in order to ensure a truly cross-cutting approach in the development of policy.”34

This was opposed by the administration’s main spokesman in the debate, Agriculture Minister Carwyn Jones, on the grounds that,

“The size and location of the sustainable development unit is a matter that comes under the province of staffing. It is not a matter for political determination, but for the Permanent Secretary to decide upon.”35

However, Plaid Cymru won the support of the Liberal Democrats and the Conservatives to defeat the administration by 30 votes to 22. As discussed earlier, this lead to a confrontation between the Presiding Officer and the Permanent Secretary who sought to avoid implementing the Assembly’s decision. The amendment, passed by 29 votes with 23 Labour abstentions, called upon the Executive, to

“…to convene an expert panel to advise on the implementation and allocation of the scheme and its associated indicators and to monitor the Assembly’s progress toward sustainable development.”36

A Liberal Democrat amendment calling on the Assembly to investigate the feasibility of establishing a Sustainable Development Committee that would cut across departments was initially opposed by the Administration, but eventually passed with no opposition. In general the tone of the debate was one in which Opposition speakers constantly sought to firm up otherwise rather vague and generalised policy commitments. So, for example, a Plaid Cymru amendment was approved without opposition calling for the Sustainable Development scheme to:

“ … adopt a positive approach to opportunities for growth in key sustainable development sectors such as environmental technology, public transport, renewable energy and information and communication technology.”37

In general, however, a broad consensus developed in these debates across all the parties, including the Conservatives, that the policy arena presented an opportunity for the

34 Assembly Record, 14 September
35 Ibid.
36 Ibid.
37 Ibid.
Assembly to develop a set of innovative policies that could put it at the leading edge of bringing environmental considerations into balance with the pressures of economic development.
4. POLICY DEVELOPMENTS
Nia Richardson, IWA

The Partnership Agreement between Labour and the Liberal Democrats provided a coherent government programme for the next three years. The main elements, together with other policy developments during the quarter, are summarised below by subject.

Economic Development

The European Structural Funds have a prominent place in the Coalition Partnership Agreement. The first point in its list of Economic Development initiatives commits the partnership to

“… continue to work to ensure the effective delivery and provision of all European Structural Funds due to Wales.”

To this end the document contains commitments to:

- Increase funding to the Welsh Development Agency, the Welsh Tourist Board and other bodies by £60million to enable them to benefit from match funding.
- Implement the Assembly's decision to establish a Community Investment Authority to channel funding to community and voluntary enterprises.
- Develop a strategy for the encouragement of credit unions, as a means of promoting local economic development and of providing access to financial services for those currently excluded from them.
- Establish a 'Business Birth-Rate Strategy' for Wales to support new businesses and help them grow.

A little-noticed, but innovative initiative within the Partnership Agreement stated that:

“In order to achieve the maximum impact of Objective One status during the programming period we will vigorously pursue the scope for fiscal variations and other special measures which can exploit to the full the benefits of the regional aid status given to west Wales and the Valleys.”

It soon became clear that this referred to such possibilities as cutting Corporation tax or reducing national insurance costs in the Objective One region. This had long been a cherished Liberal Democrat aspiration, but had been frustrated by civil service reluctance to pursue their potential and Labour hesitation in taking on guaranteed opposition from the Treasury. The issues were described in some detail by Mike German’s political adviser, Nick Bennett in an article in the IWA’s journal Agenda:

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38 Programme for Government: European Structural Funding, contained in Part II of Putting Wales First: A Partnership Agreement for the People of Wales, 6 October 2000
“EU competition policy puts limits on what Member States can do in terms of public subsidies to private enterprise, be it through the use of EU Structural Funds or domestic grants and subsidies, in order to prevent distortions of the Single Market. However, there are specific derogations from these strict rules for areas with Objective One status. Regional state aid rules for Objective One regions allows for maximum level of investment aid and for the provision of “operating aid”, that is corporation tax cuts and reductions in national insurance costs in order to attract and develop industry and tighten the labour market.

Here is the crucial point: this form of regional aid is perceived by European Commission civil servants as the most distortive, and consequently likely to be the most effective, form of regional aid and is allowed only under Article 87(3)a of the EU Treaty. This is but a theoretical right, however. For the opportunity to be exploited concrete proposals must be submitted to the European Commission and there are certain hoops that have to be jumped through:

- Aid has to be in proportion to the problems it intends to alleviate.
- Aid must be time limited and “progressively reduced”.

Is it really beyond policy makers in Whitehall and the Bay to design a scheme that takes advantage of west Wales and the Valleys potential for unique status in relation to these criteria? … Much has been made in the post devolution era of the lack of policy development experience of the Welsh civil service: the temptation of “topping and tailing” English policy rather than challenging Whitehall orthodoxy and thinking anew. I can think of no other issue than that of the opportunity of fiscal variations which demonstrates this “can’t do” characteristic so well.

It is time for civil servants to stop trying to second guess the European Commission objections to fiscal variations in Wales and get on with designing schemes that fit Commission criteria and have the best possible chance of assisting the most deprived parts of Wales and the other eligible parts of the UK. Fiscal variations, the “hidden” benefit of Objective One provides a unique chance for Wales. It is time for both Assembly and Westminster politicians to start pushing this opportunity up the political agenda.”

It was noteworthy, therefore that within a few weeks of taking office Mike German was visiting the European Commission in Brussels to explore the case for applying fiscal variations to Objective One regions in Wales. Another initiative was his appointment of an Objective One Task and Finish Group

39 Nick Bennett, Mobilising the Hidden benefit of Objective One, Agenda Winter 2000-01, IWA.
“… to deliver a cohesive operational framework for the local and regional action plans and the Single Programming Document and to set a strategic direction for the Objective One programme.”

This was an acknowledgement that delivery of the programme was running into trouble and that the Wales European Funding Office needed some strategic guidance. It was noteworthy that membership of the Group was largely drawn from people outside the Assembly administration, described as “some of Wales’ top experts on Europe”

They are Neville Davies, of the West Wales European Centre at Carmarthen; Geraint Davies, of the Welsh Development Agency; Professor Kevin Morgan, of Cardiff University; Grenville Jackson, of the Mid Wales TEC; Tina Sommer, of the Federation of Small Businesses; Graham Benfield, of the Wales Council for Voluntary Action; and Chris Johnes, of the Assembly’s European Affairs Division. Mike German said:

“The hopes and aspirations of Wales for Objective One are high, but I am also aware of a lot of anxiety that the programme may not be moving ahead quickly enough and concerns that it is not on track to deliver the maximum benefit … [The task of the Group] will be to bring together the local and regional action plans and look at how they fit into the strategy of the single programming document.”

On the 25 October Mike German announced the first projects to receive Objective One funding. The first package of 16 fast-track projects, worth £27 million, would provide support to some 60,000 people in the west Wales and the Valleys Objective One region. They include both local and regional projects covering a variety of initiatives which will promote training and learning, improve business skills, and help unemployed people back into work. Examples of the successful fast track projects include:

- The North West Wales Employment Zone scheme will receive £6.3 million. It aims to help some 2,800 unemployed people improve their chances of gaining sustained employment.

- The University of Wales Swansea Cymru Prosper Wales project will receive £1.4 million to promote adaptability and entrepreneurship in small and medium-sized businesses by using students and graduates as agents of change.

In November a further twelve schemes, worth £8.8 million, were approved as Objective One fast track projects. Examples from this tranche include:

- £2.6 million to the Further Education Funding Council for Wales towards a project to promote the use of information technology throughout the west Wales and the Valleys Objective One region.

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41 Ibid.
42 Ibid.
- £145,467 to Conwy County Borough Council to help restore the New York Enterprise Centre at Penmaenmawr.

- £760,000 to Caerphilly County Borough Council towards the Tredomen-Penallt Sustainable Urban Village Project.

Non fast track Local and Regional Action Plans were all submitted by the September 29 deadline. They are being assessed by the Wales European Funding Office to ensure that they comply with European rules and to identify areas of duplication and gaps in the coverage of the priorities laid out in the Objective One Single Programme Document. However, implementation of Objective One policy has been heavily criticised. For example, in mid-October the Minister of State at the Foreign Office, Neath MP Peter Hain, wrote to First Minister Rhodri Morgan saying he was alarmed at fears raised regarding bureaucracy and red tape in the application process for the £1.2 billion of European aid. Some of the problems were addressed at a meeting of the Objective One Monitoring Committee on 16 October where it was decided to change from Regional to Priority Action Plans and to reduce the number 14 to six in order to better ensure that the combination of spatial and thematic plans delivers the outcome required in the Single Programme Document. It was also decided to place a 50 per cent limit on spending on the more popular measures such as training initiatives.

As far as the east Wales Objective Two region is concerned, negotiations on the Single Programming Documents involving the Commission, the East Wales Partnership and Assembly Officials started in August and were completed by the end of October.

Single Programme Documents are also being prepared for other programmes of the Structural Funds. Assembly officials have been preparing the Document for the LeaderPlus rural initiative which had to be submitted to the European Commission by the end of November 2000. This programme has a much stronger emphasis on innovation than past programmes and a more themed approach would be adopted in line with the policy of the European Commission.

One of the Community Initiatives, the INTERREG III Ireland/Wales Programme has undergone the same process. The INTERREG III Programme Guidelines were published in the official Journal in May. This marked the start of a six-month period in which Assembly and Irish government officials prepared a joint Community Initiative programme which was submitted to the European Commission at the end of November. There follows a five-month period of negotiations with the Commission over a period of up to five months before the INTERREG Programme can become operational.

In June 1999 the Wales European Taskforce produced a draft National Economic Development Strategy. This was followed by the presentation of an implementation Paper to the Economic Development Committee suggesting the following major themes:

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43 Western Mail, 18 October 2000
• Promoting an E-culture and the knowledge-based economy and enriching the technology base
• Workforce skills
• Welsh innovation
• Sustainable development
• Forging links between better health and economic activity.

It also proposed that revised targets are drawn up for employment, knowledge economy and innovation, entrepreneurship, community regeneration, better government, sustainable development and sectoral initiatives. The final strategy is due to be launched in April 2001.

A group of leading experts have been drawn together to develop a nation-wide strategy to make Wales an international force in the use of Information and Communication Technologies. The group aims to develop a five-year ICT plan for Wales by next Spring.

Health

The main priorities for health policy included in the partnership document were:

• To increase the Welsh health budget by more than £1billion.
• The freezing of prescription charges for all.
• The provision of free dental checks for the over 55s and under 25s to tackle dental problems where they are most acute.
• The implementation of the report of the Winter Pressure Group, funding 25 Intensive Care and High Dependency beds and 400 General Medical beds to be commissioned and staffed throughout Wales.
• Investment of £5m in the Ambulance Trust.
• An increase to the Children's Commissioner's existing draft budget from £100,000 to £700,000 to ensure that the office can adequately fulfil its mandate.

Much of what is included in the document is not particularly new, for example the implementation of the Winter Pressure Group merely confirms plans that were already in place. The commitment to increase spending on a Children commissioner from £100,000 to £700,000 sounds substantial. However the £100,000 figure referred to spending during the past year which only covered the administrative cost of establishing the office. On the other hand the £700,000 figure refers to the financing needed to run the office. The Labour administration had already committed itself to meeting these costs.

However, some policy priorities have been changed as a result of the Partnership Agreement. For example, although the lack of funding for the Ambulance Trust was always a matter for concern, its inclusion in the Partnership document will have the effect of increasing its political profile and it's position on the priority list.
Evidence of the Liberal Democrats' influence can be seen in the inclusion of a commitment to freezing prescription charges in Wales and the provision of free dental checks for the over 55s and under 25s. The allocation of resources to freeze prescription charges also diverges significantly from policy in England where prescription charges are expected to increase by twice the rate of inflation.44.

Work is currently being undertaken on Wales's NHS Strategy which will be produced by the end of the year. The Strategy is viewed as being crucial in giving the NHS a much needed national direction and it will combine a wide range of work already being undertaken in the NHS in Wales, together with specifically commissioned reviews carried out as part of the project. This work includes an Acute Services development report Access and Excellence which is currently out for consultation and the Guidance for Emergency Pressures published in August. This was written as part of the Emergency Pressures Task Force's remit. The task force was asked to produce guidance for the NHS and its partners for the coming winter and to provide authoritative advice on how emergency pressures could be better managed on a sustainable basis.

The interim report of the Waiting Times Working Group Waiting Times in Wales: A Strategy for the Future has also been presented to the Health and Social Services Committee for endorsement. However, early indications show that waiting lists and emergency pressures will continue to be a problem of the Welsh NHS. Although the Autumn has been relatively mild so far, two hospitals - Whithybush in Haverfordwest and the Princess of Wales in Bridgend - had no spare beds by mid October.

Other policy documents include The Health Impact Assessment of the Objective One Programme which highlights links between economic development and the determinants of health. Work is also underway on a Welsh Strategy in response to the Royal Commission's report on Long Term Care for the Elderly. In addition, an implementation plan was presented to the Health and Social Services Committee in October on a National Service Framework for Coronary Heart Disease.

**Education**

The Partnership Agreement’s main implications for education and lifelong learning were:

- To provide an additional £65 million over the next three years which would, for example, enable the recruitment of up to 700 new teachers.

- To aim to reduce all primary class sizes to 25 or less.

- Provide free school milk for all infants to recognise the link between a balanced diet and the ability to learn.

- A 15 per cent increase in funds to tackle student hardship. The will also establish an inquiry into Access to Higher Education with a commitment to increasing funding along the lines of Scotland's Cubie Commission.  

44 Western Mail, 20 October
• Make £200 million available over the next three years in an ambitious school building programme, to tackle the serious backlog of repairs in Wales.

• Boost teachers’ pay by designing an improved performance Management Pay Scheme, which is not linked to pupil’s exam performance.

• To fully fund training grants for new primary school teachers by increasing the total training budget to £8m in 2001-02 and £12m 2002-03.

• To pilot a new qualification, the Welsh Baccalaureate, which will provide equal recognition to academic and vocational qualifications, as a potential improvement of the post-16 examination system.

Work on these priorities is already in progress with at least one partnership promise having been delivered. The new Education Minister Jane Davidson has extended the scheme of grants for trainee teachers to cover postgraduate primary students who will start their courses in Wales next year. It extends entitlement to £6,000 incentive payments made during initial teacher training course to primary post-graduate trainees. It will also provide £6,000 during training to secondary post-graduate trainees regardless of the subjects that they will be training to teach. However, those trainees who qualify and go on to teach in mathematics, science, technology, modern foreign languages or Welsh will also be entitled to a £4,000 teaching incentive following the successful completion of their first year of teaching.

The Assembly has also acted earlier than expected on the promise to supply milk to schoolchildren. Every infant school pupil in Wales will now receive a one-third pint of milk every morning from January onwards. The draft Assembly budget has allocated £300,000 for free milk for up to 140,000 youngsters up to key stage one.

In October a report Extending Entitlement was released by the Assembly setting out a detailed agenda for developing the Assembly’s future youth policies, building on existing links between the Assembly, local authorities, the voluntary youth sector, school and health services. The report concluded that young people in Wales need better support to make the most of the opportunities available to them. The study will assist the Assembly in implementing the new powers to support young people which are unique to Wales, contained in the Learning and Skills Act which received Royal Assent in July 2000.

In November Jane Davidson announced that £1.6 million in 2000-01, rising to £2 million in 2001-02 and 2002-03, £2m would be allocated to local authorities for the development of partnerships to co-ordinate and plan services for children and young people. This allocation was part of a £57 million three-year increase of investment in young people. Other measures included:

• £2 million rising to £8 million over the next three years for Careers Wales
• £1 million in each year for the Youth Access Initiative.
- £1.5 million rising to £2 million for hardship funds to help students who otherwise would be unable to enter higher Education institutions.
- £5 million in 2002-3 and £10 million in 2003-4 for Learning Maintenance allowances to encourage all 16-18 year olds to stay in full-time education and not be put off by financial considerations.

A scheme to provide training in work for the over-25s has also been launched. This will comprise three major initiatives of which the biggest is a new Made in Wales programme to raise adult skill levels in businesses across Wales. Called the Modern Skills Diploma for Adults, it will provide structured training for the over-25s in employment and will be available only in Wales. The diploma will build on the Modern Apprenticeship programme for the under-25s and will integrate practical training in the workforce within the job learning and key skills. The intention is for a pilot programme to be available for delivery by the Council for Education and Training for Wales from April 2000.

More guidance and support for teachers has also been a recurring theme during the quarter. In September the Assembly began a review of the amount of bureaucracy which schools and teachers have to face. An Advisory Group involving representatives of local authorities, teachers organisations, other partner bodies and Assembly officials is being established to assist with the work. The Group will look at the administrative burden on teachers and recommend ways of reducing or making it easier to manage. In addition, a review of the government guidelines for dealing with allegations of physical and sexual abuse of teachers was announced in November.

In September a draft report by the Pre-16 Education, Schools and Early Learning Committee on ICT in Education was published. The report seeks to develop a national strategy for ICT in education in Wales.

**Agriculture and Rural Affairs**

The recent partnership agreement had implications for Agriculture policy as for all others. The main points were that it would:

- Provide £60 million extra support over and above existing spending plans over the next three years to alleviate the problems of Wales' hard-pressed rural communities.
- Double rates relief to help protect post offices and other small businesses in rural areas.
- Press for a moratorium on all GM crop trials in Wales in order to operate the most restrictive policy possible within the context of existing EU legislation.
- The Partnership working alongside the established priorities of the Agriculture and Rural development Committee will invest £46m to ensure 26 per cent organic conversion by 2006, based on a market analysis of the capacity for expansion.
• The Partnership Government will establish 'Farming Connect' based on Business Connect and centres on local enterprise agencies, but strengthened by formal links with agricultural colleges.

An extra £2.2 million is being made available this year for farmers wishing to convert to organic production in Wales. This means a total of £4.23 million in the Assembly's budget for the Organic Farming Scheme – an increase of 120 per cent. Announcing the increase Carwyn Jones said:

“The National Assembly's vision for Welsh farming is to be prosperous, forward looking and sustainable. It must be competitive and flexible enough to respond quickly and effectively to market changes and consumer demand. By increasing consumer choice and producing environmental benefits, organic farming can make a major contribution to the achievement of these objectives.”

Translating the Voice of Welsh Farming into Action, based on the results of the Welsh Farming Customer Survey, was launched in October. The Survey asked 3000 people how the Assembly could improve the payment of grants and subsidies and make services more accessible. The Plan sets out what will be done over the next six months to reduce bureaucracy, jargon and red tape, the factors that farmers claimed were making services inaccessible.

GM crops continue to be a controversial subject. The Assembly rejected a motion put down by the Minister for Rural Affairs to approve the UK rules for varieties of seeds that could be added to the UK national list, reiterating its stance that Wales remain GM free. However, it is likely that the UK rules will be imposed in any case by the Ministry of Agriculture.

A long term strategy for Welsh farming is to be formulated by the Minister working with a high level advisory group that he has himself appointed. The document, to be published next Spring, will set out a vision and supporting action on the future of farming in Wales.

Local Government and Housing

In this area the Partnership Agreement for Local Government and Housing contains the following commitments:

• Easing the burden on local tax payers by ensuring that council tax increases do not need to rise by more than an average of 5 per cent a year for the duration of the agreement.

• Investing £21 million to tackle social injustice in housing.

45 Government of Wales Press Release, 6 October
• Bringing forward legislation to assist homeless people across Wales.

• Introducing a programme of secondary legislation and statutory guidance to implement the new primary legislative framework established by the Local Government Act 2000.

• Integrating the Home Energy Efficiency Scheme with other grant régimes so as to ensure better targeting of available resources.

• Encouraging all local authorities in Wales to develop a homelessness strategy with a designated homelessness co-ordinator.

• Improving the standard of private rented accommodation through a Housing in Multiple Occupation Strategy whilst also seeking powers to extend the remit of the Social Housing Ombudsman to cover private rented housing.

These themes reflected work that is already in progress. For example, in September Peter Law the former Minister for Local Government and Housing announced a £5.4 million programme to tackle homelessness and social deprivation in Wales. The money will be used to fund 54 projects, including night shelters, day centres, accommodation for drug misusers and winter provision. Organisations to which funding has been allocated include the Salvation Army, which receives £250,000 for their Northlands Substance Abuse programme in Cardiff, and £250,000 for the North Wales Housing Association's North West Wales Day Centre in Gwynedd.

A two-year £15.3 million Home Energy Efficiency Scheme was launched in September, aimed at improving living conditions and cutting the high fuel costs in the homes of some of the most needy people in Wales.

**Environment, Planning and Transport**

The partnership agreement promises to:

• Provide an extra £6 million over three years for buses, particularly in rural areas.

• Protect local environmental standards by concentrating road building on congestion points on existing roads rather than on new large-scale road building.

• Develop an air quality strategy with strengthened powers for the Environment Agency.

• Support the introduction and development of the single rail franchise for Wales and the borders.
Work on some of these objectives has already begun. For example, a new Welsh Waste Forum was launched at the end of October to provide guidance on establishing a focused Waste Strategy for Wales. This will bring together representatives from business, local authorities, waste management industry, community and public sectors, along with the Assembly to develop workable solutions to the problems of waste management in Wales. *Waste Strategy 2000: England and Wales* which was published earlier this year sets out the framework within which waste policy is expected to develop over the next twenty years. Within this framework the National Assembly will take forward a new strategy specifically formulated for Welsh circumstances.

The framework for the Environment, Planning and Transport Committee's review of public transport in Wales was agreed upon at a meeting in early November. The review will focus on the National Assembly's public transport policies and identify changes needed to improve the delivery and take-up of integrated transport services across Wales. It will cover bus, rail, and community transport services.

Following the torrential storms and floods in October the Minister for the Environment, Sue Essex, established a review of the working of flood defence bodies in Wales. This will explore the decision-making structures involved in implementing Welsh flood defences. It will also consider the scale of the potential flooding change faced in Wales.

**Culture**

As its last act before being merged with the Pre-16 Committee, the post-16 Education and Training Committee published their Arts and Culture report at the beginning of November. This is a far-reaching document comprising more than a hundred recommendations on how arts and culture should be promoted and supported in Wales. It highlights four key principles as a basis for policy development:

- The Assembly should be responsible for setting overall policy, defining its implementation and funding.
- The Assembly should also take the lead in setting policy and in raising the profile of Welsh arts and culture both at home and abroad.
- Organisations other than the Arts Council for Wales should be brought more into the process, in a spirit of openness and transparency.
- The First Minister should give serious consideration to appointing a dedicated Assembly Minister for Culture.

Apart from the Assembly's role, the Committee have recommended that a Cultural Consortium *Creu Cymru* be established to provide a forum for the discussion of particular opportunities or problems, to support action on the basis of partnership and to provide an open information channel between the bodies concerned with the Arts Council and
ultimately with the Assembly Minister. The Committee recommends that there should be an explicit shift in funding towards the voluntary sector to recognising the importance of community, grass-roots and voluntary activity in the development of arts and culture in Wales. The report now comes under the remit of the new Culture and Sport portfolio. The new Minister, Jenny Randerson, had already given her support in the following terms:

“… never before has there been such an intensive and in-depth study of this subject area. The report also has cross-party consensus which gives it authority, status and credibility.”

46 'Assembly Press Release, 1 November
5. THE BUDGET
Nia Richardson, IWA

On the 19 October the Assembly Finance Minister announced a three-year draft budget and record levels of spending in the key areas of health, education and economic development. To a great extent the budget was driven by the commitments made in the Coalition Government’s Partnership Agreement, for example the promise of freezing prescription charges for all, and £2.4 million by 2003-4 to fund a new waste strategy. The Partnership Agreement also gives the Finance Minister more room to manoeuvre since unlike the previous year she now has an assured majority to push it through. The budget has two main themes

- Allocations to front-line services such as more doctors and nurses, better social services, better hospital and school buildings, and more teachers.

- An attack on social inclusion.

Among the key announcements in the proposals were:

- Increases of £169 million in 2001-02, £415 million in 2002-3 and £669 million in 2003-04 in health, bringing spending up to a record level of £3.6 billion by 2003-04, this includes an extra £30 million by 2003-04 for new capital investment in hospitals.

- The freezing of prescription charges for all and, from April 2001, free prescriptions for the under 25s.

- A package of measures worth £118 million by 2003-04 to support children and youth services including funds to establish the Children's Commissioner and increased support for Children's services.

- A new long-term care strategy in response to the recommendations of the Royal Commission into the long-term care of the elderly. This will include free nursing care from October 2001 and a new budget rising to £10 million in 2003-4 to examine flexible care packages and joint ways of working between the NHS and social services.

- An extra £56 million in 2001-02, £125 million in 2002-03 and £182 million in 2003-04 for education and training (excluding the local government revenue settlement), including an extra £43 million by 2003-04 for capital investment in schools to tackle the run-down in school buildings.

- An extra £20 million in 2001-02, £25 million in 2002-03 and £32 million in 2003-4 for schools; and £12 million in 2003-04 to expand nursery provision for three year olds.
• An extra £126 million in 2001-02, £167 million in 2002-03 and £204 million in 2003-04 for economic development, providing over £70 million by 2003-04 for match funding for the European Structural funds.

• An additional £19 million by 2003-04 for the Welsh Development Agency, and £6 million by 2003-04 for the Welsh Tourist Board.

• A significant increase in funding for local authorities, enabling councils to maintain service levels and contain council tax increases to an average of 3 per cent across Wales in the coming year.

• Additional new money (£4 million in year 1) to fund transitional arrangements to smooth the introduction of the new Standards Spending Assessment formula which distributes funds between authorities. On current estimates, this should mean that no individual authority need face an increase of more than 9 per cent (the precise impact cannot be calculated until final data is available at the end of December).

• On top of this, additional funds available to all authorities next year (totalling £10 million) as an incentive to sign up to the policy agreements designed to drive up the quality of services to local people.

• Over £175 million by 2003-04 for tackling social disadvantage, including an extra £15 million by 2003-04 for the innovative Communities First programme in up to 100 of our most deprived communities.

• An extra £41 million by 2003-04 for housing, including an extra £2.5 million by 2003-04 to help the homeless and other vulnerable groups.

• An additional £60 million by 2003-40 for transport with particular emphasis on encouraging integrated transport schemes, free concessionary fares and bus passes of the elderly and community transport.

• An extra £40 million by 2003-04 for the environment, including £24 million by 2003-04 to fund the new waste strategy.

• £17 million in 2001-02, £20 million in 2002-03 and £23 million in 2003-04 for agriculture and rural development, including an extra £6 million by 2003-04 of the widely-acclaimed Tir Gofal Scheme and a doubling of the organic conversion scheme.

• An extra £5 million for arts and culture by 2003-04, including increases for all the main cultural bodies, with the introduction of a £1 a head entrance charge to the National museums and galleries of Wales from 1 April 2001.
According to the Minister for Finance the proposals meet 54 of the 55 Subject Committee priorities that were presented to her before the summer, of which she gave the following examples:

“We are providing funds for the preparatory work for the expansion of free part-time education places for three-year-olds. I know that this was a priority for the Pre-16 Education Committee and we now need to make sure that the objective is implemented in a planned way. We are also increasing funding for the Arts Council of Wales by £4 million by 2003-04. I know that that was a priority of the Post-16 Education and Training Committee.”

In the debate that followed Plaid Cymru claimed that the administration had been fiddling with the figures and that more than half of the total increase in the budget reflected a simple accounting change arising from the new resource accounting method and did not constitute additional money. Phil Williams, the party’s economic spokesman, said the £9.7 billion figure cited by the administration was misleading. He claimed that if one took the change in the method of accounting into consideration the budget would go up to £8.8 billion, an increase of 8.8 per cent. However, if one also subtracted the money received from Europe and some items of match funding which are included in the document and added up to £200 million, the budget for normal expenditure would stand at £8.6 million, which represented a 7 per cent increase.

Plaid were not only sceptical of the amount of increase in the budget, they were also adamant that Welsh departments were receiving a smaller increase than their counterparts in Whitehall. As Phil Williams put it:

“It is marvellous to get an 8.6 per cent increase of health and social services, which is essential and long overdue. However, in England the Department of Health gets a 9.3 per cent increase. The Assembly education and training budget has increased to 6.5 per cent, but the Department for Education and Employment enjoys an overall increase of 8.6 per cent.”

In an article for the Winter 2000-01 Agenda (the journal of the Institute of Welsh Affairs) Phil Williams also claimed that new money allocated to match funding for European programmes in the draft budget would have to come from normal expenditure on programmes such as health and education. He claimed that it also distorts the comparison between increases in funding for English departments and Welsh departments.

Firstly, part of the increase in the Welsh block grant goes to cover £486 million worth of European Union grants for approved projects in Wales (including Objectives 1, 2 and 3, and the four Community Initiatives) which is not normal expenditure. Secondly, in the Comprehensive Spending Review no extra money was allocated for Wales to cover the increase in public-sector match-funding. Plaid Cymru estimate that this will amount to

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47 Assembly Record, 26 October
48 Assembly Record, 26 October
about £340 million. In the draft budget 2001-04 only about £188 million is specifically earmarked for match funding.

So to calculate the actual increase in the block grant it is necessary to subtract money allocated to fund the European programmes. According to Phil Williams this results in an increase to the normal block grant for Wales of 7.3 per cent compared with 8.0 per cent for the U.K. as a whole. The above also means that the only way that the European programme can be match-funded is by taking money away from normal expenditure on other programmes such as health and education.

In response Edwina Hart first emphasised that Phil Williams' comparison between increases in England and Wales was unfair without excluding the equivalent European funding from Whitehall's budgets too. At the same time she conceded that some departmental Welsh increases would be less than those of England:

“While the increase for Wales was lower than the Department of Health and Department for Education and Employment … it was higher than the Department of the Environment, Transport and the Regions.”

She also conceded that the 'new money' allocated in the draft budget for match-funding was in fact not additional money to the block grant for normal expenditure;

“On match funding, I have said on a number of occasions that it would have been a bonus to have received additional match funding. We did not, and as several seasoned political negotiators commented during the Assembly's July debate on the Spending Review, that is the reality of politics. The shortfall in match funding is some £60 million a year - and that is very small in comparison to the Assembly's budget of £1.1 billion.”

Meanwhile the Conservatives complained that the health and education budgets were insufficient. As David Davies, AM for Monmouth, said:

“It is a Chinese meal of a budget, which will leave us feeling full for a couple of minutes, but starve us in the months and years to come.”

He was also sceptical of the limit of 9 per cent given on increases in council tax:

“You suggest that because 9 per cent is not double figures that is alright … However, 9 per cent is scarcely more acceptable.”

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49 Assembly Record, 26 October
50 Ibid.
51 Assembly Record, 26 October
52 Ibid.
The motion to note the draft budget was passed in plenary on the 26 October with the Conservatives voting against and Plaid Cymru members abstaining. It is expected that the Draft budget will be ratified in the first week of December.
6. THE LEGISLATIVE PROCESS

Jane Jones, Law Department, University of Wales, Swansea

The Coalition Partnership Agreement is likely to prove one of the most significant political developments in the first term, and not least in its impact on the Assembly as a law making body.

Forthcoming Primary Legislation

The Partnership Agreement refers to two specific areas where the Assembly will be or may be pressing for its own policies to be given effect in primary legislation:

- **The Children’s Commissioner.** The Partnership Agreement seeks a much broader remit for the Children’s Commissioner position, which carries cross party support. The Commissioner’s powers under Part V of the Care Standards Act 2000 are confined to (i) the review and monitoring of complaints; (ii) whistleblowing; and (iii) advocacy arrangements made by providers of services for children regulated under the Act with a view to ascertaining whether the arrangements are effective in safeguarding and promoting the rights and welfare of those children. The Assembly is pushing for early legislation – whether successfully will not be known until the Queen’s Speech on 6 December.

- **Voting systems in local government elections.** The Partnership Agreement commits the administration to a review of voting systems for local government elections – including greater proportionality in the representation of political parties. New primary legislation may be necessary to implement Assembly policy and in that event the Agreement commits the administration to press for appropriate Wales provisions.

The Process of Government

The Partnership Agreement also addresses aspects of the process of government that are highly significant to the achievement of its political objectives through legislation, both primary and secondary. Key commitments under the heading of Better Government: Putting Wales First are -

- To endorse the cross-party review of procedures.

- To produce a draft Protocol on Freedom of Information by the end of 2000 – “going beyond the requirements of the Westminster legislation, developing a culture of openness and transparency in all the Assembly’s work”.

• To “ensure that the Assembly committees have the necessary access to civil servants and independent legal advice in the context of policy formulation and secondary legislation” – a point which underlines the importance of the arrangements set in place by the First Minister earlier in the year to facilitate the provision of legal advice to committees including the routine attendance at committee meetings of Assembly Counsel from the Office of the Counsel General.

• To review the existing structures and workings of Assembly officials to ensure that they are “in tune with the reality of political devolution”. The Agreement sets out the express aim of moving towards an “increasingly independent and Welsh-based civil service” – this simple statement may have profound significance in the development of distinctive Welsh government and Welsh law in the longer term.

• To develop the role of Assembly Committees and clarify the role of regional committees, improving the interface between regional committees and the Assembly - this commitment addresses a crucial aspect of the development of greater democratic involvement in the Assembly’s law making process, the possibilities for which have already been illustrated in the approach to Wales provisions in new Acts of Parliament and their implementation by the Assembly, discussed below.

Review of the Existing Settlement

The Agreement proposes no radical or immediate change in the settlement – not surprisingly since a clear underlying reason for the Agreement is a desire for a period of stability and reflection. It endorses however the establishment of an independent Commission to conduct a review ranging from the Assembly’s electoral arrangements, including greater proportionality, to the relevant devolved competencies. Primary legislation may well be needed to address the outcome of this, but this is clearly not for the current administrations in the UK and Wales.

Policy, Process and the Enactment of New Law

The Assembly is now implementing primary legislation passed in the first full parliamentary session since devolution. It now falls to the Partnership administration to direct implementation through a programme of subordinate legislation. Three Acts – the Learning and Skills Act, the Care Standards Act and to a lesser extent the Local Government Act - contain “framework” provisions for Wales, leaving much of the policy to be developed through Assembly legislation.

Each provides for a new structure and/or processes to be established by Assembly legislation. In each case the Wales provisions represent the Assembly’s policy following a process which included consultation and consideration within the Assembly in plenary
and in subject committees. It is in many respects remarkable that this was achieved in the first parliamentary session, with the Assembly barely in existence at the time of the most concentrated efforts in Whitehall to put together the UK Government’s legislative programme.

The Assembly already has scope for separate policy development within the powers transferred by transfer of functions orders under the Government of Wales Act. Nonetheless the “framework” approach to the creation of new powers in primary legislation is of significance. In the debate on the Care Standards Act 2000 (Commencement No 1) (Wales) Order 2000 on 7 November (commencing the provisions enabling the establishment of the offices of the Commissioner and of the Care Council for Wales) Assembly Minister Jane Hutt said:

“The provisions for a Children’s Commissioner in the Care Standards Act 2000 were drafted to leave as much room as possible for the details to be assumed by Assembly legislation.”

One consequence of this is an interesting reversal of the position in Westminster where the main political debate is conducted at the time of the construction of the enabling powers with little or no opportunity for debate on the detail. The detail is left to the executive – hence the expression “executive legislation” to describe the subordinate legislation made under enabling powers. When the parliamentary debate addresses the framework rather than the detail the natural tendency of Parliament is to regard very broad enabling powers with suspicion. The opposite is true of the Assembly. The greatest scope for democratic accountability is in the development of policy within the framework – as demonstrated in the plenary debate on 24 October on the full range of measures falling to the Assembly under the Care Standards Act. Accordingly it is in the Assembly’s interest that the framework should be as wide as possible.

The development of the proposal for a Children’s Commissioner discloses three important points about the emerging process of law making for Wales. First, the Assembly was able to “speed up” its process of policy approval sufficiently to take advantage of the opportunity for primary legislation without losing cross party and wider engagement in policy development. The Assembly Subject Committee continued to work up the policy, to report to plenary and to develop the debate at the same time as the provisions in the Bill were being prepared and put before Parliament.

Second, the distinction between the primary and subordinate legislative role assumes a much lesser significance when the whole process is in effect one of giving effect to Assembly policy. (This is not to underestimate the considerable practical issues for the Assembly when operating under extreme time pressure at one remove from the UK Government department sponsoring a Bill in which the Wales provisions may be only one small part. Nor has the UK Government been always as receptive to requests for implementation of Assembly policy through primary legislation as in the case of the Children’s Commissioner.)
Thirdly, and in consequence of the first and second points, it can become inaccurate to describe the Assembly’s part of the legislative process as “executive”. One illustration is the debate in plenary of the first commencement orders, in contrast to the position in England where commencement orders are the most “executive” of “executive legislation” generally requiring no parliamentary procedure whatsoever. This point is further underlined by the use of the term “Local Government Bill” used in the Partnership Agreement to describe the Assembly’s programme of subordinate legislation to implement the Local Government Act 2000.

There is however a clear role for “executive legislation” within the Assembly. Not all of its subordinate legislative output attracts the same interest or has the potential impact as the Children’s Commissioner or the implementation of major local government reform. If time is to be made available for proper consideration of such matters, the effectiveness of the Assembly’s business process is of critical importance.

The key is to identify the areas where most is to be gained by the inclusive, cross party policy development to which the Assembly is committed. This is essentially a sorting exercise, requiring that the decks of Assembly business be cleared to make space for consideration of issues where the Assembly has most scope for policy development. Business managers need to make informed decisions about the use of the Assembly’s time on legislation – the time of officials, committees and plenary. It is also essential that Assembly subject committees receive the advice and information they need to form recommendations and inform plenary debate.

In this, the initiatives to streamline the planning and co-ordination of subordinate legislation within the Assembly continue to play a significant part. Some changes to standing orders, such as the grouping of draft subordinate legislation for approval with limited time for debate, have helped to provide more efficient ways of dealing with matters where debate is not warranted. The change of nomenclature from “urgency” to “executive” to describe those Assembly orders which are made without prior debate is at least as significant as the change of nomenclature from “Assembly Secretary” to “Assembly Minister” which has attracted a great deal more attention.

However, dispatching any legislative business quickly always has the potential to court controversy. On 14 September the Assembly passed a motion delegating functions to the First Minister, for onward delegation to officials, under the Sheep and Goats Identification (Wales) Order 2000 (S.I.2000/2335, made under section 2(2) of the European Communities Act 1972 and implementing Council Directive 92/02/EEC). The Order had been made under executive procedure and had come into force on 1 September before being laid before the Assembly on 7 September. It requires the tagging of sheep and goats for identification purposes – “the highlight of the year” as the First Minister interjected when the Business Secretary introduced the motion – but, as demonstrated in the short debate following, an issue of some significance to those on whom the burden of compliance would fall. The explanation given by the Business Secretary for the use of executive procedure to make the Order might be thought to be overwhelming:

- There was an obvious need for identical England and Wales provision.
• Administration and enforcement would be conducted on an England and Wales basis via an agreement with MAFF under section 41 of the Government of Wales Act.

• The order was necessary to give effect to an EU obligation with limited time for compliance (in this case there was a real threat of infraction proceedings against the UK).

• The Assembly’s Business Committee made a deliberate choice to utilise the limited time available for implementation to disseminate information and guidance to farmers post enactment rather than to have what could only have been a sterile political debate pre-enactment.

Nonetheless one Assembly Member, John Marek, raised the lack of opportunity for debate as an issue, and was advised by the Presiding Officer that the use of the executive procedure was already within the scope of the cross party review of procedure. It may be that the review will help by consolidating the development of understanding of when the executive procedure is appropriate but in the nature of things it seems unlikely that there will ever be universal agreement.

What is clear is that there are areas where the Assembly has substantial original law making capacity, through its own legislative process and through the Westminster Parliament, and that the business process is being refined so that handling choices can be better informed and better executed and the Assembly enabled to apply its own time more effectively.

The Partnership Agreement does not fundamentally alter the developing approach to these matters. But it commits the Administration to further develop the Assembly’s working practices and achieves some security with regard to the realisation of the Assembly’s legislative programme for the remainder of its first term. For the first time it has become possible to plan business without having to strike ad hoc deals in relation to every item. A greater assertiveness on the part of the Administration in “sorting the sheep from the goats” in the handling of Assembly legislation may result.
7. RELATIONS WITH WESTMINSTER AND WHITEHALL

John Osmond, IWA

The Joint Ministerial Committee

The first full meeting of the Committee took place in Edinburgh on 1 September. Chaired by the UK Prime Minister it was attended by First Minister Rhodri Morgan and the Minister for Assembly Business, Andrew Davies. Near the end of October a further meeting took place in Belfast focusing on NHS winter pressures and attended by Jane Hutt, the Minister for Health and Social Services.

The Edinburgh meeting, the first convened largely at the request of the devolved governments, assessed their respective achievements in the first year and resolved that it should be the first of annual evaluations of the devolution process. Three action points were agreed, summarised in a Press Release issued by the Northern Ireland Executive following the meeting:

- A formal stock-take of the Memorandum of Understanding between the administrations, and the bilateral agreements on working relations between UK Government Departments and the devolved administrations was instituted.

- The importance of managing the relationship between the respective UK and devolved legislative programmes was recognised. Increased effort was needed to ensure that legitimate interest in each other’s programmes was fully built in to the process of preparing legislation.

- The importance of continuing informal dialogue between Ministers and officials was recognised.

Concordats

Memorandums of Understanding or Concordats have now been signed between the Assembly and all the Whitehall Departments, apart from the Department for Education and Employment and the Home Office. During questions to the First Minister on 24 October it was explained that the agreements with the latter two departments had been delayed “because of administrative, not political foot dragging”. Rhodri Morgan added that it was not anticipated that Concordats would

“... guarantee that there would never be disagreement between a Whitehall department and the Assembly, the Scottish Parliament or the Northern Ireland Assembly. It meant that there would be a procedure and an understanding to try to minimise those disagreements, or their knock-on effects. We are talking about consultation, about trying to avoid surprises where possible, and about trying to
ensure that the business of the UK as a whole is not affected adversely by the arrival of devolution. It does not mean that there will never be any disagreements. It is merely a modus operandi to try and ensure that no bad blood or mistrust develops out of a disagreement on an issue between a UK government department and any of the devolved bodies.”

The Department of Environment, Transport and the Regions and Car Number Plates

The concordat with DETR did not prevent ‘bad blood’ emanating from one member of the Cabinet, Edwina Hart, the Minister for Finance and Communities. In a strongly worded press notice she bitterly attacked the department’s civil servants for deciding, without prior consultation, that from 1 March next year Welsh logos would be illegal on car number plates – only the GB Euro symbol will be allowed:

“This is a total insult to the people of Wales who quite clearly want to identify themselves as Welsh. I am sick and tired of Whitehall civil servants drawing up schemes which include Wales without consulting us. It is even worse when UK Ministers accept these schemes without a thought for the views of Wales. You might have thought that after the debacle over the census they might have learned a lesson. This show contempt for the people of Wales and for the principle of devolution which was supposed to be a central plank of Government policy.”

Phillips Report on the BSE Crisis

Publication of the Phillips Report at the end of October provided a salutary lesson of what can happen when relations between the Welsh-based civil service and a Whitehall department breaks down. Investigating the role of the Welsh Office Lord Phillips’ three year inquiry uncovered a series of ‘information blockages’ between Cardiff and Whitehall which resulted in the warnings of the Welsh Chief Medical Officer, Dame Deirdre Hine, being sidelined by the Department of Health.

In May 1990 an expert Advisory Group, convened by Dr Hine, decided that the Welsh Office should not endorse the views on the safety of UK beef as expressed by Sir Donald Acheson, the UK Chief Medical Officer. The Welsh Office Group expressed concern to the Department of Health about the recently discovered ability of BSE to pass from one species to another. In response to a letter from Dr Hine pressing this point, the Department of Health’s Principal Medical Officer Dr Hilary Pickles wrote:

53 Assembly Record, 24 October
54 Press Notice issued by the Gower Constituency Office of Edwina Hart, 20 September
“I am surprised you feel it necessary to put so much effort into challenging the views of colleagues at DoH who are more senior, more experienced in the area, devote a higher proportion of their time to the topic and have frequent access to the real experts in the field.”

The Phillips Report, which censured Sir Donald Acheson, concluded:

“We think the Welsh Office was well served by the combined talents of its team of medical staff and the advice they gave during the initial stages of the epidemic … It was unfortunate that their voices were not more clearly heard in Whitehall at the time.”

The Phillips report’s revelations produced widespread anger among Welsh farmers organisations and some politicians who drew parallels with contemporary experience. Richard Livsey, Leader of the Welsh Liberal Democrats and MP for Brecon and Radnor, declared that the report underlined more general attitudes toward Wales by Whitehall departments generally:

“This is acute in relations with the Treasury, the Ministry for Agriculture, Fisheries and Food and Departments dealing with the European Union and Economic Development. Now that devolution has been achieved, we have a right in Wales to earn more respect for our views in London. I believe at long last this is beginning to occur but still has a long way to go. A good start would be to upgrade some Civil Service grades in Wales to be more on a par with opposite numbers in Whitehall. This might tackle head on the condescending attitudes which exist in the Whitehall culture.”

**The Secretary of State for Wales**

Questioned by the Welsh Select Committee on 21 November on the outcome of the July Comprehensive Spending Review the Secretary of State for Wales, Paul Murphy, ruled out a review of the Barnett Formula which distributes expenditure between England, Wales, Scotland and Northern Ireland on the basis of population. He claimed that Wales was well-served by the Formula and warned that a review might trigger a backlash in the English regions. This prompted Plaid Cymru’s leader in the Westminster Parliament, Elfyn Llwyd, MP for Meirionnydd, to claim that he was reneging on a previous commitment to examine more appropriate funding mechanisms:

“Everybody who knows anything about Barnett recognises that it does not reflect a needs-based formula.”

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55 Western Mail, 27 October
56 Ibid.
57 Richard Livsey MP, *BSE Fiasco Defines Whitehall Attitudes to Wales*, Press Release, 27 October
58 Western Mail 22 November
At the end of October the Secretary of State addressed a Regional Government and Devolution Conference in Valencia, Spain. The speech outlined links between Wales and Catalunya and highlighted lessons Wales had learned from the connection, in particular the importance of nation-state unity running in parallel with devolved powers:

“You have preserved the fundamental unity of the Spanish State – proving that decentralisation does not necessarily and inevitably lead to what we in Britain call the ‘slippery slope to separatism’… People in Wales have always been rightly suspicious of those who say constitutional change will automatically bring better schools or hospitals. That suspicion contributed to the very narrow victory for the devolution proposals in Wales in the 1997 referendum. It also means that the primary demand in Wales is not for more constitutional change, but for better schools, cleaner hospitals, more doctors and nurses, and less crime.”\(^{59}\)

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8. RELATIONS WITH THE EUROPEAN UNION

John Osmond, IWA

The National Assembly’s Brussels Office was officially opened in partnership with the already existing Wales European Centre at a new location, 20 Rue Joseph II, by European Commission Vice President Neil Kinnock, on 19 September. At the opening ceremony First Minister Rhodri Morgan said,

“The Assembly has wide responsibility for implementing in Wales policies developed at the European level and it is vital that we play a more active role in the way these policies are framed. We also need to keep a watching brief on broader European issues which will impact deeply on Wales although not devolved to the Assembly. The single currency, enlargement, and the future shape of the European institutions are obvious examples. Our new office in Brussels, which comes under the umbrella of the UK Permanent Representation, will help facilitate this work. The Assembly will also benefit from membership of the Wales European Centre, a partnership working in Brussels for a broad range of European interests.”

The following day Rhodri Morgan participated in a major conference of European Regions called by the Minister-President of the Government of Flanders, examining how the Regional tier could be strengthened within the European Union’s decision-making process. In a speech he emphasised Wales’ distinctive character as a bilingual country which distinguished it from the other parts of the UK and at the same time made it sensitive to enhancing diversity within the EU institutions. He added:

“The Assembly has not only given democratic legitimacy to government within Wales, it has also given us a seat at the European table along with other European Regional governments.”

60 Government of Wales Press Release, 19 September
61 Government of Wales Press Release, 20 September
9. RELATIONS WITH LOCAL GOVERNMENT

John Osmond, IWA

PR for Local Government

The Partnership Agreement’s commitment to establish an independent Commission to review voting systems for local government including proportional representation was discussed by the Local Government and Housing Subject Committee on 18 October. There were concerns about the cost of the review and the risk of moving to a system which severed the link between councillors and local communities. Most opposition to change came from the Conservatives with Monmouth AM David Davies attacking the idea of the Commission:

“This Assembly does not have the power to introduce PR for council elections. That has to be done by Westminster where Mr. Blair's government has already decided to do nothing about the matter. Time and money is being wasted purely so that Liberal Democrats can say to their members that this is a step towards PR, and for Labour to say to their groups that nothing will change and that the commission is only a sop.”

Local Government Finance

The Assembly approved a new standard spending assessment formula as the method of distribution of the 2001-02 local government revenue settlement on the 31 October. Endorsed by the Welsh Local Government Association the new formula will replace the settlement which existed in Wales since Local Government reorganisation in 1996. Finance Minister Edwina Hart said:

“The new method of calculation places greater emphasis on indicators of social deprivation and includes more accurate measures of population dispersion.”

This formula is only likely to last for a few years, however. A consultation paper Simplifying the System: Local Government Finance in Wales was published in September with responses invited by the end of the year. Announcing the consultation the former Local Government Minister Peter Law said:

“Over £3.2 billion was spent by local government in Wales last year, but the present system of funding local government is so complex that few people understand it fully. Many people pay council tax, but few understand how their bills are

62 Western Mail, 19 October
63 Assembly Record, 31 October
calculated or how local authority budgets are determined … The Assembly needs to know what the public thinks are the strengths and weaknesses of the current system, and what might be done to improve it.”\(^{64}\)


**Council Allowances**

An independent consultants’ study into councillors allowances will be commissioned by the Assembly. This decision, announced on 15 November, was made by the Assembly Working Group on Members’ Allowances, comprising representatives from the Welsh Local Government Association and Assembly members. It was established following an Assembly debate on 29 March. The matter arose after a row over members’ allowances within Cardiff County Council when the then Local Government Minister Peter Law intervened to prevent a £58,500 allowance being awarded to the Council leader Russell Goodway (see *Devolution in Transition: Monitoring the National Assembly February to May 2000*).

**Local Government Act 2000**

The new Local Government Act, which received Royal Assent in July, contains extensive delegation for making orders and regulations to the Assembly. For example, the Assembly now has powers to submit proposals to the Secretary of State for “amending, repealing, revoking or disapplying any enactment” which “prevents or obstructs local authorities from exercising their powers” to improve the economic well-being of their area. Or again, Section 106 gives powers to the Assembly rather than to John Prescott for making regulations dealing with arrangements for Executives and Adjudications. In broad terms the Act embraces the following objectives:

- Councils will be run by an Executive Mayor and Cabinet of elected members, each with their portfolio of responsibilities, so that people would know who are accountable for making decisions.

- The old committee system will be abandoned.

- Scrutiny Committees will be established with representatives of all the parties to review continuously the work of the Council.

- Steps will be taken to attract more councillors drawn from a wider range of candidates: more talented, more vigorous young people willing to make a

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\(^{64}\) Government of Wales Press Release, 21 September
difference to the world around them: more young people with families: more people drawn from ethnic minorities.

- Steps will be taken to address the current financial disincentives for people to come forward and take an active role in serving their community.

- The Government will encourage councils to take a radical look at the way in which their remuneration and allowances structures can reinforce this new approach to local government.

- It is clear that those in the new political executive positions will be spending much, if not all, of their time on Council business with loss of earnings and pension rights: where this is the case the government will enable the payment of pensionable salaries.

- The government will confirm the ability of Councils to meet the extra child care and other care costs of their councillors.

- Although general Wales-wide guidelines will be set, Councils will be free to set allowances and remuneration at different levels to those recommended.

- The Mayor will be elected by the members of the Council or, after a referendum, by the people of the unitary authority.

At the same time The Act seeks to be enabling rather than restrictive. Section 2 sets the objective: local authorities are empowered “to do anything which they consider is likely to achieve any one or more of the following objectives” -- the promotion or improvement of the economic, social or environmental well-being of their area. The limitations to “doing anything” are any enactments preventing specific actions and any orders made by the Assembly. Every local authority must prepare a “Community Strategy” which are expected to include:

- A long term vision for the area, focussing on outcomes that are to be achieved.

- An action plan that defines short term activities to contribute to achieving that vision.

- A shared commitment to implement the plan.

- Monitoring arrangements for reviewing the strategy.

In August, the former Minister for Local Government Peter Law wrote to all local authority leaders suggesting that there should be “Policy Agreements” between the Assembly and each Unitary Authority. These would identify key shared objectives and identify measures of progress towards them. Each Unitary Authority would agree with the Assembly their own local targets.
10. POLITICAL PARTIES
   John Osmond, IWA

The new coalition between Labour and the Liberal Democrats had an immediate impact on all the political parties in the Assembly, not just those immediately involved in the deal. As we have seen it sharpened the focus of both Plaid Cymru and the Conservatives as the Opposition. Plaid Cymru were somewhat disconcerted by having this clarity thrust upon them. On the one hand their new leader Ieuan Wyn Jones acquired the title Leader of the Opposition. On the other hand they were at a stroke removed from the inner loop of Executive decision-making since Labour no longer needed their votes in the chamber. In contrast the Conservatives felt entirely at ease with the new situation. As Glyn Davies, the Conservative member for Mid and West Wales put it, in a short debate (he won by ballot) on the implications of the coalition:

“… there will be little impact on the Conservative Group. We have always viewed it as our job to test the Government, their proposals, and to see what individual ministers are made of. We will carry on doing that. We will fit into these new arrangements as if they were made to measure for us.”

The immediate political fall-out of the coalition announcement was the resignation of Tom Middlehurst as Minister for Post-16 Education. The exchange of letters between him and First Minister Rhodri Morgan – an historic first in the life of the Assembly – made clear that “the prospect of sitting down in Cabinet with the Liberal Democrats is not one that I can contemplate”:

“I was always willing to look at joint policy initiatives and to develop a compact on a wide range of issues in return for support for Labour on the key issues – the budget for example. However, I have never envisaged an outcome where Liberals would sit in the Cabinet. That to me is too high a price to pay. Apart from this I have no regard for the Liberal democrats and do not trust them as long-term allies. I cannot forget how they conspired with the Tories and the Nationalists to censure Christine Gwyther on wholly spurious grounds and then committed the ultimate act of treachery in aiding and abetting the downfall of Alun Michael.”

The main focus for Labour opposition to the deal, however, was the suggestion that proportional representation would be considered for local government elections. An estimated half-a-dozen backbenchers in the Assembly, and probably a majority of Labour councillors were unhappy with this initiative. As Lorraine Barrett, Labour AM for Cardiff South and Penarth put it:

“I am totally opposed to PR for local government and to any extension in elections to the Assembly. I know that there is a groundswell among our rank and file in

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65 Assembly Record, 19 October
66 Government of Wales Press Release, 9 October
opposition. They are up in arms, and it probably extends to our local government members. Probably the entire Labour group of the Welsh Local Government Association is opposed.”67

However, there was no immediate test available for the grass roots of the Labour Party in Wales to offer an opinion on the deal. As we have seen Rhodri Morgan had sought and received support from the Welsh Labour Executive at the outset of his accession to the leadership. A Welsh Labour conference would not occur until the Spring when the new coalition will have been firmly in place for some months and, in any event, an imminent Westminster election will ensure the closing of ranks. Any fall out will await the results of elections and the extent to which activists attribute their outcome to the new relationship with the Liberal Democrats. The following section’s report on the latest opinion polls suggests that fall in support for Labour combined with increased support for the Conservatives and Plaid Cymru compared with 1997 will mean a loss of Labour seats at the next general election. Up to half-a-dozen or so could be vulnerable to a greater or lesser extent: Monmouth, Clwyd West, Vale of Glamorgan and Cardiff North to the Conservatives; Carmarthen East, Conwy, Caerphilly and Rhondda to Plaid Cymru; and Cardiff Central to the Liberal Democrats.

Meanwhile, the Labour members of the Cabinet and a majority of backbenchers in the Assembly strongly support the new coalition arrangements. As the Minister for Assembly Business, Andrew Davies, put it in a robust defence in the short debate on the coalition called by the Conservatives:

“When I and my colleagues have been in Scotland, we have been struck forcefully by how well that coalition has been working. The coalition is and has been successful. Ireland is another country that has been held up as a model of how Objective 1 is to be used. In Ireland they have had coalition governments almost from the establishment of the Republic.”68

Rank and file Liberal Democrats were far more uneasy than Labour at the potential electoral consequences of the deal. On the one hand they accepted that their support for proportional representation made coalition governments likely, and as a result they should not flinch from collaboration. The argument was especially strong when it could be so comprehensively demonstrated that many Liberal Democrat policies would be implemented as a result of the deal. On the other hand, political realities mean that the coalition heralds an era of great electoral uncertainty for the party in Wales. There seems no doubt that their hold on such heartland seats as Brecon and Radnor could be loosened, to the advantage of the Conservatives, while their challenge to Labour in Cardiff Central may be weakened as well. More generally, because of the on-going agricultural crisis compounded by the hike in fuel prices (reflected in the fuel blockade emanating in large part from Wales) Labour is currently even more unpopular in rural Wales than is generally the case. Many Liberal Democrats are concerned that their identity in contradistinction to Labour may be blurred as a result of the coalition. One is Lord

67 Western Mail, 10 October
68 Assembly Record, 19 October
Geraint Howells, the former Welsh party leader and former MP for Ceredigion, who came out strongly against the coalition. Another is the current Welsh party leader, Brecon and Radnor MP Richard Livsey who chose neither to support nor endorse the deal.

In acknowledgement of these concerns the Liberal Democrat leader in the Assembly, Mike German, undertook a punishing tour of the Welsh constituencies in the week leading up to the party’s Autumn conference, on 15 October. In the event, and despite misgivings, the vote approving the coalition was won overwhelmingly. On the day most delegates felt they had little choice but to give their leadership the benefit of the doubt.

As for the two Opposition parties, as we have seen, in the short run their potential for influencing votes in the Assembly has sharply diminished, with Plaid Cymru noticing the result most keenly. Furthermore, and as we have also seen, it was outflanked in the inter-party negotiation - such as occurred - on the chairmanship of the new Subject Committees in the Assembly. Plaid Cymru is likely to make its mark over the next few years to the extent that it can project its alternative programme, and use the Subject Committees to interrogate the coalition administration and hold it to account. As the party’s leader put it:

“The forming of the coalition places an even greater responsibility on our shoulders as the opposition party. With the coalition having an overall majority, it will be even more important for us to scrutinise every decision made by the executive. The fact that the Liberal Democrats are now in government increases our responsibility to hold Rhodri Morgan and his team into account. We will strive to improve the standards of the Assembly, expose the inconsistencies within the budget and argue for policies that are relevant to Wales.”

69 Plaid Cymru Press Notice, 25 October
11. PUBLIC ATTITUDES

Denis Balsom, Welsh Governance Centre, Cardiff University

The striking of the Partnership Agreement and the creation of the Labour-Liberal Democrat coalition in the National Assembly of Wales has finally fulfilled the rhetoric of there being a ‘new’ politics in Wales. In Scotland, the new Parliament was always likely to be governed by a coalition. The Scots were able to anticipate this outcome and had, in any case, through the deliberations of the Constitutional Convention, had the time and opportunity to prepare for this outcome. The process of achieving devolution not only created new institutions, but also gave birth to a ‘new’ political culture within which Scotland will now develop.

In Wales, such an innovative Constitutional Convention was never to be established. Although proposed, given the decisive rejection of devolution at the 1979 referendum, such calls were dismissed as the vain ambitions of zealots. It was only following the landslide victory of the Labour Party in the 1997 general election, and the realisation that Parliamentary passage of devolution was now feasible, that Ron Davies strove to create an inclusive coalition to secure a positive referendum result. The strategy worked – just. By a winning margin of only 6,721 votes the hesitant momentum towards the creation of a National Assembly was carried forward. The cross-party coalition however, became a victim of the Assembly election campaign at which, notwithstanding an element of proportionality, the Labour Party fully expected to secure an overall majority.

The shock election of only a minority Labour administration revived the vocabulary of consensus and inclusivity, but in reality, Labour strove to govern as if in a majority and Alun Michael as if still Secretary of State. Ironically, almost the sole incidence of consensus politics seen during the Assembly’s first year was widespread and common sentiment that led to Alun Michael’s resignation in February. The accession of Rhodri Morgan to the First Secretaryship saw the elevation of a genuinely popular leader with, perhaps, the potential to engage the, still substantially, cautious and sceptical Welsh electorate in the devolution project. To achieve this, the Assembly needed tangible achievements that only a working majority could deliver. To date, much of the working of the Assembly has revolved around the relentless daily search for common ground, and a majority on each and every vote. The frustrations borne of this uncertainty have finally brought the parties to realise that for the Assembly to work effectively; they must work together. Not to do so would be to risk permanent disillusion and disaffection with politics amongst the people of Wales as intimated in the pitiful turnouts for the local, Assembly and European elections. It is against this background that the Partnership Agreement was born.

The birth of the Coalition proved sufficiently engaging to generate two opinion polls from Wales’s leading broadcasters. The BBC’s new current affairs programme Dragon’s Eye,
commissioned a ‘quickie’ telephone sample of 50070 to assess reaction to the new partnership government. The results show that only 38% personally approved of the coalition, but that 48% thought that it would make the Assembly more effective. The HTV Wales poll, taken slightly later in the month, suggests that a similar 40% thought the coalition will be good for Wales. In a relatively cool response to Rhodri Morgan’s radical initiative, the Liberal Democrats are perceived to have most to gain from the establishment of the coalition, whilst the Conservatives are expected to be the losers.

**TABLE 1**

As you might have heard, the Labour Party and the Liberal Democrats have agreed to form a coalition government in the National Assembly for Wales, under the leadership of Rhodri Morgan.

**Do you approve or disapprove of the new coalition?**

<table>
<thead>
<tr>
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<th>ALL</th>
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<tbody>
<tr>
<td>Approve</td>
<td>38%</td>
</tr>
<tr>
<td>Disapprove</td>
<td>24%</td>
</tr>
<tr>
<td>Neither</td>
<td>22%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>17%</td>
</tr>
</tbody>
</table>

Source: BBC Wales poll

**Do you believe the coalition between Labour and the Liberal Democrats is good or bad for:**

<table>
<thead>
<tr>
<th></th>
<th>Good</th>
<th>Bad</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Wales?</td>
<td>40%</td>
<td>36%</td>
<td>25%</td>
</tr>
<tr>
<td>(b) the Labour party?</td>
<td>40%</td>
<td>40%</td>
<td>20%</td>
</tr>
<tr>
<td>(c) the Liberal Democrats?</td>
<td>49%</td>
<td>29%</td>
<td>22%</td>
</tr>
<tr>
<td>(d) the Conservative party?</td>
<td>19%</td>
<td>59%</td>
<td>22%</td>
</tr>
<tr>
<td>(e) Plaid Cymru?</td>
<td>29%</td>
<td>48%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Source: HTV Wales poll

**Do you think that the new coalition will make the Assembly more effective?**

<table>
<thead>
<tr>
<th></th>
<th>ALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>48%</td>
</tr>
<tr>
<td>No</td>
<td>30%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>21%</td>
</tr>
</tbody>
</table>

Source: BBC Wales poll

It is ironic, perhaps, that the architect of the coalition agreement should also appear to be a casualty. Since assuming the First Secretaryship, Rhodri Morgan has enjoyed massive public support. The latest HTV poll continues to give the First Minister substantial backing, with 59% agreeing that he is doing a good job. Yet this endorsement still represents a ten-point fall from the last poll in July. In part, this may be a consequence of...

70 NOP interviewed a representative sample of 500, by telephone, for BBC Wales between 16–18 October. For HTV, NOP interviewed a representative sample of 1000, by telephone, between October 26–31.
the assumption of power, but, to date, the Assembly has needed Rhodri Morgan’s popularity and charisma to sustain public credibility in devolution. The BBC poll took a slightly different tack and attempted to measure whether the deal had benefited Mike German of the Liberal Democrats, more that Rhodri Morgan and the Labour Party. The data is rather inconclusive, suggesting that neither leader has gained much in popularity, but for the Liberal Democrats, the personal profile of Mike German should certainly be raised.

**TABLE 2**

a) Following the decision to form the coalition, do you feel that Rhodri Morgan’s position has got stronger, weaker or stayed about the same?

<table>
<thead>
<tr>
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<th>ALL</th>
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<tbody>
<tr>
<td>Stronger</td>
<td>30%</td>
</tr>
<tr>
<td>Weaker</td>
<td>14%</td>
</tr>
<tr>
<td>About the same</td>
<td>44%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>12%</td>
</tr>
</tbody>
</table>

b) Do you feel that Mike German’s position has got stronger, weaker or stayed about the same?

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Stronger</td>
<td>34%</td>
</tr>
<tr>
<td>Weaker</td>
<td>12%</td>
</tr>
<tr>
<td>About the same</td>
<td>30%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>23%</td>
</tr>
</tbody>
</table>

Source: BBC Wales poll. The number of people polled was 501

**Overall, how good a job do you think Rhodri Morgan is doing as First Minister?**

<table>
<thead>
<tr>
<th></th>
<th>Now</th>
<th>July 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good</td>
<td>59%</td>
<td>69%</td>
</tr>
<tr>
<td>Poor</td>
<td>25%</td>
<td>16%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>16%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Source: HTV Wales poll

It also appears as if the launch of the coalition and the Partnership Agreement has yet to impact upon likely voting behaviour at a future Assembly election. The polls taken throughout the year have shown little movement between the parties. Given the volatility and changes in party leadership this might seem surprising. Equally, Rhodri Morgan and Michael German might have expected to see some potential electoral gain accruing from reaching their accommodation. It is, of course, early days, but if the coalition is to raise public confidence in the workings of the Assembly, both parties would hope to be beneficiaries on a future polling day. At present, the pattern of party loyalties appears remarkably similar to those at the Assembly election in May 1999.

**TABLE 3**
How would you vote if an election for the National Assembly for Wales were held tomorrow?

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Conservative</td>
<td>16%</td>
<td>15%</td>
<td>14%</td>
<td>14%</td>
<td>13%</td>
<td>16%</td>
</tr>
<tr>
<td>Labour</td>
<td>39%</td>
<td>40%</td>
<td>41%</td>
<td>43%</td>
<td>45%</td>
<td>37%</td>
</tr>
<tr>
<td>Liberal Democrat</td>
<td>12%</td>
<td>8%</td>
<td>10%</td>
<td>10%</td>
<td>6%</td>
<td>13%</td>
</tr>
<tr>
<td>Plaid Cymru</td>
<td>30%</td>
<td>34%</td>
<td>32%</td>
<td>31%</td>
<td>33%</td>
<td>30%</td>
</tr>
<tr>
<td>Other party</td>
<td>4%</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Would not vote</td>
<td>(20)</td>
<td>(19)</td>
<td>(16)</td>
<td>(19)</td>
<td>(17)</td>
<td></td>
</tr>
<tr>
<td>Undecided</td>
<td>(21)</td>
<td>(21)</td>
<td>(21)</td>
<td>(21)</td>
<td>(22)</td>
<td></td>
</tr>
<tr>
<td>Refused to say</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td>(2)</td>
<td></td>
</tr>
</tbody>
</table>

The electorate’s party preferences for the Assembly, however, remain quite distinct from those for a Westminster election. The pattern established at the Assembly elections has been sustained in all the subsequent polls and appears to confirm a fundamental realignment in Welsh politics. For elections to Westminster, Wales broadly follows the British norm of a two-and-a-half party system. Labour is stronger than in many parts of Britain, but Plaid Cymru has never established itself outside of the Welsh heartland to challenge this orthodoxy. At a Welsh election however, Plaid Cymru emerge as a strong second party, attracting support from all parts of Wales.

Although the latest poll shows potential Plaid Cymru support in a future Westminster election at a record level (see Table 4 below), the likelihood of this translating into winning seats outside of the heartland is remote. The next general election in Wales, still expected in the spring of 2001, should see the restoration of Conservative representation in Westminster from Wales. The latest poll shows the Conservatives with 25 per cent support, a level that, in the past, has brought them seven or eight MPs. Such a forecast would appear extravagant today, but certainly some Labour marginal seats will revert to the Conservatives. The crucial finding of the poll however, is the ten-point fall in support for the Labour Party since the last general election. The circumstances of the 1997 landslide to Labour are not going to be repeated and therefore some re-adjustment is inevitable. But at 45 per cent, the Party’s level of support is the lowest since the mid-eighties when Labour returned twenty-four, rather than thirty-four, MPs from Wales. Whilst it still appears inconceivable that Labour can be defeated at the next election, a substantially reduced majority for Mr Blair will also mean a substantially different Parliamentary group from Wales.

**TABLE 4**

How would you vote if a general election for Westminster were held tomorrow?

<table>
<thead>
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<tbody>
<tr>
<td>Conservative</td>
<td>16%</td>
<td>15%</td>
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</tr>
<tr>
<td>Would not vote</td>
<td>(20)</td>
<td>(19)</td>
<td>(16)</td>
<td>(19)</td>
<td>(17)</td>
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</tr>
<tr>
<td>Undecided</td>
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<td>(21)</td>
<td>(21)</td>
<td>(21)</td>
<td>(22)</td>
<td></td>
</tr>
<tr>
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<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
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</table>
### Coalition Politics Come to Wales: Monitoring the National Assembly September to December 2000

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<td>20%</td>
</tr>
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<td>47%</td>
<td>50%</td>
<td>56%</td>
<td>55%</td>
</tr>
<tr>
<td>Liberal Democrat</td>
<td>13%</td>
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<td>(2)</td>
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In his speech to the Institute of Politics at Aberystwyth, First Minister Rhodri Morgan launched a scathing attack on the Welsh press and media for what he called its 'cynical' and 'lazy' coverage of Welsh politics. He said they operated on the basis of a ‘mindset’ which meant that any coverage of the Assembly had to be negative:

“The media have set themselves the task of showing that they can produce a kind of flip, glib, quick, cynical judgement of devolution … they must demonstrate that they have the capacity to talk down achievement of devolution in the same way that they think metropolitan élite journalists gathered around the Hampstead dinner tables do. There is something in the mindset which means when it comes to the point of writing a story which is going to involve a headline saying 'Assembly succeeds in establishing its credibility' or 'A step forward for Wales and the Welsh Assembly' something clots in the mind of the Welsh media.”

One example he gave of the media ignoring positive outcomes of the Assembly was its failure to report the fact that in the first week of November Jane Davidson lead the UK delegation to the Education and Youth Council in the European Union, the first time ever that an Assembly minister had done that. However, his main complaint was an assertion that the media has not been able to move on from questioning the validity of devolution itself – an issue decided in the referendum three years ago - to scrutinising the actual operations of the Assembly.

“’There is an army of leader writers in the newspapers who are still in a state of denial about the arrival of democratic devolution.’”

And he aimed a particular barb at the BBC:

“I hope that one day I can do an interview with the BBC where the interviewer doesn’t ask the inevitable and compulsory question - doesn't this prove that the Assembly is a total waste of time … now and then you should use your brains when asking questions.”

The media reacted defensively. HTV had Rhodri Morgan discussing the issue on its evening news the following day, 14 November, when the First Minister reiterated what he had said in his speech, although he claimed that HTV were not the worst culprits. Later in the week BBC’s Wales political current affairs programme *Dragon’s Eye* invited the First Minister to a breakfast meeting with selected journalists, including Paul Starling of the *Welsh Mirror* and Martin Shipton, of *Wales on Sunday*. Between mouthfuls of bacon

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71 Rhodri Morgan, *Check Against Delivery*, Address to the Institute of Welsh Politics, Aberystwyth, 13 November, 2000
72 Ibid.
73 Ibid.
and egg the First Minister pursued his vendetta, on the whole getting the better of wordsmiths unable to penetrate his verbal onslaught.

A few days later Wales on Sunday ran an Editorial headed “Rhodri – don’t bite the hand that feeds”, claiming that the First Minister

“… has generally had a good deal from the media which – it has to be said – was largely responsible for removing his predecessor from office and giving him the opportunity to lead the Assembly.”

The Western Mail itself, which failed to actually report the speech, accused the First Minister of shooting the messenger:

“Rhodri Morgan is not a violent man. Yet in appearing to shoot the media messenger he not only pulled the trigger but jumped up and down on the lifeless body.”

The Paper added that the First Minister has hindered the flow of information to the Welsh media by

“… not having yet made the key appointment of Head of News at the Assembly to replace Desmond Clifford, who left his post last April.”

However, the main message from The Western Mail was that if the Government of Wales wanted positive media coverage then the it must deliver positive things to write about. As part of their coverage, they challenged Rhodri Morgan to come up with a top ten of Assembly achievements which did not include targets or money allocated. The First Minister failed to do this since the top ten he sent to the paper included targets and money allocations, for example a target of reducing primary class sizes to under 25 by 2007. On the other hand when Western Mail Assembly reporter Rhodri Hornung applied the same challenge to negative coverage, he had no difficulty in coming up with a top ten which featured Alun Michael's downfall, the saga of the new building, the controversy over GM crops and the ‘shambles’ of Objective One.

A few weeks later The Western Mail ran a front-page headline “Triple boost creates work for 2,000”. This itemised a new Ford investment in its Bridgend engine plant, together with a new call centre in Cardiff and a development at Brynmawr that were bringing the new jobs. At the same time the Paper carried a Leader column, headed “News we’re glad to carry on front page”, remarking:

“Contrary to the opinion of the First Minister, we are only too delighted to reveal this genuinely good news for the economy of Wales.”

74 Wales on Sunday, 19 November
75 Western Mail, 15 November
76 Ibid.
77 Ibid.
78 Western Mail, 22 November
Rhodri Morgan's outburst may have been the result of a series of negative Assembly stories which had hit the headlines in the previous weeks. In September it was the Assembly Members' extensively extended Summer recess which attracted the unwanted coverage. Assembly Members returned from an eight week break during the first week of September, only to spend three days in plenary sessions and committee meetings before going away again for another three weeks, ostensibly to attend the party conferences. The Western Mail was affronted, if not scandalised:

“The status quo, with the Assembly returning for one week only to depart again for three for the UK party conferences, is, quite frankly, farcical.”

Matters deteriorated even more when the Paper discovered that only ten out of the 28 Labour AM's actually made it to their conference in Brighton (one excuse was that they had difficulty in booking accommodation). The Western Mail's Editorial comment was uncompromising:

“We can only look in disbelief at the sheer audacity of Labour AMs”.

Holidays caused another 'scandal' in October. Alun Pugh (Lab) was accused of wasting £4,500 of the Assembly’s and thus the taxpayer's money on a trip to the Sydney Olympics as a replacement for Post-16 Education and Training Secretary Tom Middlehurst. Having taken great pleasure in throwing accusations at Alun Pugh the Tories got a taste of their own medicine a few days later when it was revealed that Tory AM Alun Cairns was to go on a paid eight day stay to Bermuda in his capacity as one of three vice-chairs of the Assembly Branch of the Commonwealth Parliamentary Association. The Western Mail's front page headline “Tory's Bermuda freebie sparks hypocrisy row” was followed by a full description of the 'luxury' Bermudan hotel where he would be staying.

There was controversy, too, over the future of the Millennium Centre when the owner of the Cardiff Bay site where it was due to be built, put it on sale. The former Secretary for Post-16 Education and Training Tom Middlehurst became a scapegoat for the problems. The Western Mail carried a banner front-page headline demanding:

“WAKE UP, MR. MIDDLEHURST”

When Tom Middlehurst resigned the First Minister replaced him as the media's target, with the Western Mail the following challenge across its front page:

“We must and we will have the Wales Millennium Centre - and you are the only one who can make it happen….TIME TO TAKE A RISK, RHODRI”

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79 Western Mail, 6 September
80 Western Mail, 3 October
81 Western Mail, 4 October
82 Western Mail 29 September
83 Western Mail, 12 October
Coverage of the coalition deal was mostly personality driven, with more emphasis on who would be in the new cabinet and who would be sacked than its consequences for policy development in the Assembly. This was despite the formidable length of the Coalition Partnership Agreement and its inclusion of more than a hundred policy initiatives and commitments. On the other hand, the Press and Media were generally supportive of the coalition. “Deal enables decisive government” declared the headline above The Western Mail’s editorial:

“…coalitions do not have a history of being decisive. But if this one achieves its aims and does indeed make the important decisions Wales needs, then it deserves support.” 84

However, following much speculation over who would be in the Cabinet and in particular which post Mike German would get, the news of his appointment as Deputy First Minister was given a colder reception:

“Mike German's appointment as the Deputy First Minister throws up enormous doubts about what the Lib-Lab coalition means for democracy in Wales. Here is a man, leading the smallest party in the Assembly, a third-place candidate who exists as an AM only through the top-up system, now taking on the role of second most important person in the National Assembly. This is not what the people of Wales voted for. It is important that democracy is maintained and a minority party does not enjoy a position of power for the sake of getting Labour out of trouble.” 85

There was generally good coverage of the cabinet reshuffle until it was overtaken by tabloid-style coverage of the Mike German 'scandal' around his previous jobs as Manager of the European Unit at the Welsh Joint Education Committee. Lurid allegations of corruption were made with talk of criminal charges over concerns about a claimed £20,000 credit card bill.

This analysis suggests that Rhodri Morgan’s complaint that Assembly policy and debates do not capture the headlines in the Welsh media is justified. Yet this seems inevitable when the media is faced with such personality driven political dramas that have beset the Assembly over the past year, from the downfall of Alun Michael to the sacking of Christine Gwyther and the corruption allegations against Mike German.

In a speech at the Scottish Press Fund lunch in Glasgow, Greg Dyke the BBC’s Director General claimed that, “Devolution had made the BBC less London-centric' and that he wanted to see “the BBC's regions and nations have a stronger output.” 86 However, it is difficult to see much improvement in the London-based newspapers reporting of Welsh politics. Coverage of the coalition development was next to nothing. The Times, the Daily Telegraph and the Independent failed to report the Partnership Agreement whilst

84 Western Mail, 6 October
85 Western Mail, 17 October
86 Greg Dyke, Speech to the Scottish press Fund, 15 November
the Cabinet reshuffle only got into the 'In brief' columns of the *Independent* and *The Guardian*. It was no surprise, therefore that the London newspapers came under attack from Dafydd Wigley, former leader of Plaid Cymru in a speech to the Society of Editors in Cardiff:

“... the vast bulk of the London-based press - daily and Sundays alike - had shown no glimmer of interest in the new devolved institutions of Wales. There is less Welsh coverage in many of these papers today than 30 years ago when such papers had at least one correspondent in Wales. We have to make sure that the profile of the Assembly is understood by the media in Wales.”

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87 Western Mail, 17 October
APPENDIX I

THE COALITION’S PROGRAMME FOR GOVERNMENT

This is the Cabinet’s annual legislative and plenary programme for the National Assembly for Wales. The intention is to implement this programme in the period to July 2001. The programme is subject to Assembly decisions on the detailed handling of business. It reflects the priorities for Government set out in the partnership agreement. It is a distinctive set of actions to address the issues which matter to Wales.

Our Corporate Commitments

We shall follow up our statutory scheme for sustainable development with a detailed action plan.

During this session we shall publish for consultation and bring forward for Plenary debate our proposals for Communities First which aims to help the most deprived communities in Wales.

We shall implement our financial commitments in submitting the final Assembly budget in December 2000.

We shall bring forward a strategy for Information and Communication Technology during the next session.

We shall renew our strategic plan betterwales.com, incorporating the new commitments from the partnership agreement in March 2001.

We shall take forward the action plan produced in partnership with the PCS Union in response to the Stephen Lawrence Enquiry report of Sir William Macpherson.

We shall debate the Assembly Review and pursue its recommendations.

We shall report on progress on our accelerated review of the Assembly Sponsored Public Bodies.

We shall report on progress on pfi and procurement policy.

Education and Lifelong learning

During the rest of this session and the following session, we shall continue to introduce legislation bringing into effect provisions in Learning and Skills Act 2000 designed to modernise our post 16 education and training system, and introduce Careers Wales,
national all-age guidance service to complement these changes. The new arrangements will bring fresh coherence and vision to the delivery of post 16 education and training in Wales. They will help to equip us with the skills we all need for a modern knowledge-based economy, and will give people in Wales first class support in selecting the best learning and career pathways.

We shall report on progress on our new arrangements for **Youth Support**, drawing on the recommendations of the report – ‘Extending Entitlement – Supporting Young People in Wales’. This will offer a clear entitlement to support and advice for all young people and strengthen the services offered to them, including the introduction of a Wales Youth card.

By the Spring we shall debate proposals for **Early Years provision for three-year-olds** in pursuit of our commitment to provide nursery education for all children from the age of three.

We shall report on the development of arrangements for **supporting small schools** in rural and urban areas.

We shall report on the progress in the development of a **ten-year strategy for higher education** in tandem with the Committee’s review into higher education.

We shall set out our progress in raising standards in **training and education** in Wales.

We shall report on progress on the **Welsh Baccalaureate**.

We shall continue to support measures to improve the standing of the teaching profession not least by **introducing regulations** which complete the framework essential for the **General Teaching Council for Wales** to achieve its aims.

We shall set out our proposals on the **professional development of teachers**, following consultations on the induction and early development of new teachers, on performance management for all teachers; and on a comprehensive programme for aspiring and serving heads.

We shall debate our measures for pursuing our commitment to **upgrading school buildings**.

We shall set out our proposals to reduce the **burden of paperwork on teachers**.

We shall bring forward a special grant report on measures to **reduce junior class sizes** and improving performance at Key Stage 3.

We shall report on the establishment and terms of reference for an independent investigation into the issue of **student hardship and funding** in Wales.
Health and Social Care

We shall introduce legislation to bring into effect the office of Children’s Commissioner for Wales and to define its initial powers and responsibilities.

We shall publish for consultation and bring forward in the Spring for plenary debate Children and Young People: A Framework for Partnership.

We will implement primary legislation on Care Standards in Wales, which will ensure effective regulation of the standards of care offered to both young and old. This will extend the range of regulatory social care undertakings and provide for the Assembly to undertake this regulatory role. This will also create a new statutory body called the Care Council for Wales to regulate the social care workforce and raise the standards of training.

Following the initial regulations made on 7 November, we shall bring forward further regulations to allow local authorities to make payments to health authorities to assist joined up service provision, and before the summer, we shall bring forward the proposals of the Local Government Partnership Council’s Task and Finish Group on Health and Wellbeing.

We shall bring forward regulations by the Spring to improve arrangements for young people leaving care following enactment of the Children (Leaving Care) Bill.

We shall debate the health, social care and wider needs of the elderly, and come forward with proposals.

Early in the New Year we shall publish the NHS Wales Strategy and subsequently debate elements of that Strategy including primary care and acute services development, public involvement and improved management of waiting times.

We shall introduce new legislation before the summer to implement the Carers and Disabled Children Act 2000 through which we will provide new support to Carers. We shall introduce regulations to implement carers assessments, more flexible arrangements for purchasing breaks and an extension of direct payments. We shall bring forward another Special Grant report for breaks for carers for consideration and provide an opportunity to debate the Carers Strategy in Wales Implementation Plan.

We shall bring forward two new Mental Health Strategies which shall underline our commitment to provide the best possible care and support for this group.

In Primary Care we shall take action to enable Local Health Groups to take on executive and commissioning powers and improve co-ordination between health and social services and we will bring to Plenary proposals which will improve access to services. We shall bring forward proposals to make available a new eye examination which will be targeted at those at greatest risk from eye disease backed up by proposals to extend screening and low vision services. We shall also freeze prescription charges.
and, subject to professional and legal advice explore further opportunities to extend exemptions from prescriptions and dental charges.

We shall report on progress under the Voluntary Sector Scheme.

We shall publish a new Health Promotion Action Programme to implement the national health promotion strategy which was the subject of consultation earlier this year.

**Economic Development**

We shall publish a new National Economic Development Strategy during the next session which will establish a clear, exciting and widely owned vision for a modern, high-skill Welsh economy and help to realise the potential of the European Structural Fund Programmes.

During the next session, we shall report on our work to promote the Image of Wales, and proposals for a co-ordinated marketing/international relations programme linking inward investment, tourism, trade and culture in Wales.

We shall debate and take forward the Economic Development Committee report on business support services.

We shall report on the review of the procedures and processes which support the operation of the Objective 1 programme.

We shall submit the Objective 2 programme for East Wales to the Commission to complete the coverage of the major Structural Fund programmes across the country.

We shall report on steps to take forward the Business Birth-Rate Strategy proposals outlined in the Entrepreneurship Action Plan.

Specialised European programmes, covering rural development (LEADER), cross-border links with Republic of Ireland (INTERREG), urban community development (URBAN) and equal opportunities (EQUAL) will also be submitted to the Commission to bring enhanced targeted assistance to different parts of Wales.

We shall report on progress on developing operating aids to help the Welsh economy flourish.

**Rural Affairs and Agriculture**

We will ensure that rural communities across Wales are served by a Government which understands and responds to their needs.
We shall publish our proposals for the long-term direction for agriculture in Wales to help inform the development of our new strategy.

We shall introduce a scheme to offer free school milk to all children in nursery and primary schools, with a particular focus on those in their early years of education.

Subject to agreement that other parts of Great Britain will take parallel action, we will implement the recommendations of the McLean Report on easing the burden of meat hygiene charges in small abattoirs.

We shall arrange for there to be a plenary debate on the lessons to be learned from the Phillips Report on BSE.

We shall continue to pursue our desire to operate the most restrictive policy possible on GM within the context of EU legislation, drawing on the work of the cross-party strategy group that we will establish on GM issues.

We shall present our proposals for diversifying the economy of rural Wales.

We shall bring forward proposals to create an Independent Appeals Mechanism for farmers.

We shall report on progress with the development of a Wales Biomass Strategy, and ‘Farming Connect’ a free advisory service for farmers.

Environment, Planning and Transport

Next session we shall introduce revised overall planning policy, minerals planning policy, and aggregates dredging policy for Wales that more closely reflects Welsh needs and promotes our commitment to sustainable development. This will also begin to develop our proposals for a new spatial planning framework.

We shall consult on and debate next session proposals for a Wales Waste Strategy which will radically reduce the amount of waste going to land-fill.

By the summer we shall introduce Assembly to bring into force provisions in the Transport Act. We will introduce Assembly legislation to provide the basis for a system of Mandatory Travel Concessions in accordance with our commitment to free local bus travel for elderly and disabled people by April 2002.

Before the summer, we shall set out an Integrated Transport Framework for Wales which reflects the specific needs of both rural and urban areas.
During the next session we shall introduce Assembly legislation requiring planning permission for telecommunication masts.

**Local Government and Housing**

Before the summer we shall introduce major Assembly secondary legislation on local government. This will both implement the new framework for Local Government provided for in the Local Government Act 2000, and go further in renewing local government in Wales. The legislation will include new committee and Cabinet structures, and a new ethical framework. It will mark the start of a new partnership approach to providing quality services for the people of Wales.

By the summer we shall introduce Assembly orders next session to streamline the implementation of Best Value.

Early next session we shall introduce assembly orders to implement our commitments on local authority revenue support and council tax.

This session we shall introduce a National Housing Strategy, followed next session by Assembly legislation to implement the first of its recommendations, and early next session we shall introduce Assembly legislation to extend the categories of homelessness and will debate a draft homelessness strategy.

During this session we shall issue draft guidance on community planning which aims to improve public involvement in the decision-making processes of local government.

We shall report on the establishment and terms of reference for an independent review into possible voting systems for local government elections in Wales.

**Arts, Culture and Sport**

By the summer, we shall introduce legislation aimed at increasing the number of public organisations who can be required to adopt Welsh Language Schemes in line with the Welsh Language Act.

Before Easter, we shall consider the outcome of redesign work on the Wales Millennium Centre.

We shall examine lottery matters as they relate to Wales.

We shall set out our measures to raise Wales’ profile internationally.

We shall debate broadcasting and communications policy.
We shall debate and take forward the review of the arts and culture in Wales – ‘A Culture in Common’.
APPENDIX II
Independence of the Presiding Officer and His Office

Text of a letter circulated to party leaders in the Assembly in early September 2000, detailing the conclusions of an ad hoc Committee made of representatives of the Office of the Presiding Office and the Cabinet Secretariat.

Introduction

1. This note summarises the key elements of the proposals to make the Office of the Presiding Officer (OPO) more independent than it is at present and some information on the proposed implementation of the changes.

2. The stage has been reached where the fundamental principles for a more independent OPO and the arrangements that need to be put in place to make it work have been identified. The Assembly's approval to a package of changes to standing orders and budgets will be sought in early October. The key changes and their implications are outlined below.

The key principles

3. The Presiding Officer holds the position equivalent to the Speaker in Parliament, carrying out his role independently of the Assembly's Executive. His function, and that of his Office (OPO) is to represent the interests of all Assembly Members and to ensure that the business of the Assembly is discharged smoothly and impartially and in keeping with the best traditions of representative institutions. In particular, OPO has the role of ensuring that Assembly members can effectively scrutinise the work of the Assembly's Executive. If OPO is to perform these roles effectively it is essential that it is, and is seen to be, independent of the Assembly's Executive.

4. The arrangements that are being put in place are an important clarification of the constitutional position of the Presiding Officer and the enhancement of the role of OPO. They have been developed according to the following principles:

   • The Presiding Officer and his Office are independent of the Assembly's Administration;

   • The Presiding Officer has overall responsibility for the conduct of the Assembly business, and for the exercise of Standing Orders;

   • OPO is directly accountable to the Presiding Officer and the House Committee, and through them to the Assembly;
• The Clerk to the Assembly (the Clerk) and his/her staff are to have maximum operational independence to carry out OPO's functions in support of Members and the Assembly's business in accordance with the Assembly's wishes and those of the Presiding Officer;

• The staff of OPO will remain Civil Servants, ultimately accountable on staff management matters to the Permanent Secretary. The Permanent Secretary will formally delegate the exercise of those functions within OPO to the Clerk insofar as this is permissible under the law.

• The Office of the Presiding Officer will have its own budget, determined directly by the Assembly; and

• These changes will, as appropriate, be enshrined in Standing Orders.

Changes proposed

5. The House Committee's role will be formalised and brought within standing orders. It will still be advisory but will cover an expanded portfolio including Members' fees and allowances and the OPO budget. The Committee will provide advice on the administration and functioning of OPO; the management of Crickhowell House, Pierhead and the new building once it is ready; the issue of guidance to those using the services and facilities provided by the Office of the Presiding Officer; and the related budgets. In order to make OPO more open and accountable it is proposed that a member of the Committee should answer oral questions in plenary each month and represent the Committee's views where matters are referred to the Assembly for consideration. New members of the House Committee and a chair need to be elected once the new standing order is approved.

6. The Assembly will formally approve OPO's budget each year at the start of the budget round. The arrangements for this and for agreeing in-year changes will be included in changes to the relevant standing orders. The Clerk's Accounting Officer responsibilities for OPO budgets and expenditure will arise directly from the Assembly's allocation of OPO's budget. The Clerk will, as now, be directly accountable to the Audit Committee of the Assembly, should they decide to examine the expenditure of OPO. OPO will continue to follow the principles of Government Accounting and will take advice from the Principal Finance Officer and his staff on professional matters related to this.

7. OPO will have its own Information Systems strategy and will receive general IS/IT services through a service level agreement with the Business and Information Systems Division. It will be responsible for the Bay building and all the services provided to Members, including day to day responsibility for security, health and safety, catering and for services to the general public, primarily in Pierhead. There will be some strengthening of OPO staff to help carry out these enhanced functions. The Clerk will have responsibility for the structure and management of OPO staff, with delegated responsibility from the Permanent Secretary. Support services currently provided to OPO
from the Assembly's central service divisions will be enshrined in service level agreements or memoranda of understanding.

**Timetable**

8. For the Assembly to approve the new OPO budget in advance of the main budget, the changes to Standing Orders and the proposed budget will need to be approved in the week commencing 9 October.
APPENDIX III
The New Committees in the Assembly following the Coalition Government

Economic Development
Responsibilities: Economic Development, Industry and Tourism

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Environment, Planning and Transport
The Environment, Countryside and Conservation, Town and Country Planning, Ancient Monuments and Historic buildings, Transport and Highways, Water Industry

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Janet Ryder  Party Spokesperson  Plaid Cymru  
William Graham  Party Spokesperson  Conservative  

**Education and Lifelong Learning**

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**Culture**

Responsibilities: the Arts, Libraries and Museums, Sport and Recreation and the languages of Wales

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**Agriculture and Rural Development**

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### Health and Social Services
Responsible: Health and Health services, Social services and Social Care and Food safety

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### House Committee

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Equality of Opportunity Committee

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