



# 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:



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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](http://www.iwa.org.uk)) together with a more substantial annual publication•





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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

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 Llanellwedd, 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.”<sup>1</sup>

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.<sup>2</sup> 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 D). 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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<sup>1</sup> Working Together: Delivering the Partnership Agreement, Part III of *Putting Wales First: A Partnership Agreement for the People of Wales*, 6 October 2000

<sup>2</sup> 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.”<sup>3</sup>

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.<sup>4</sup> 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.”<sup>5</sup>

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.<sup>6</sup>





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.”<sup>8</sup>

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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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*”<sup>9</sup>

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

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

- 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.

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.”<sup>11</sup>

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.”<sup>12</sup>

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.”<sup>13</sup>

*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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<sup>11</sup> *Putting Wales First: A Partnership Agreement for the People of Wales*, 6 October 2000, p.3

<sup>12</sup>

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 ...”<sup>14</sup>

In political terms the coalition’s creation of a government sure of its majority with a more focused poli(n)1.1Gmd0.000jsa ut i2t s with aB with aB 190.84 1ls.1( 190.8(aN0.1( with aB4

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



## **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.”<sup>18</sup>

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.”<sup>19</sup>

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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<sup>18</sup> *Assembly Record*, 10 October

<sup>19</sup> *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.”<sup>20</sup>

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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<sup>20</sup> *Assembly Record*, 10 October. One new function would be for the Office of the presiding Office to take

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





- 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

senior figures”, by implication politicians and/or civil servants in the Executive, who had briefed the author with background material.<sup>25</sup> 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

- 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 1-t 1-te ydif

### **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

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.”<sup>26</sup>

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

## **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.”<sup>28</sup>

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*:

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.”<sup>30</sup>

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 ...”<sup>31</sup>

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.”<sup>32</sup>

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.”<sup>33</sup>

## **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

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<sup>30</sup> *Assembly Record*, 17 October

<sup>31</sup> *Ibid.*

<sup>32</sup> *Ibid.*

<sup>33</sup> *Ibid.*

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.”<sup>34</sup>

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.”<sup>35</sup>

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 led 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.”<sup>36</sup>

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.”<sup>37</sup>

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

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<sup>34</sup> Assembly Record, 14 September

<sup>35</sup> *Ibid.*

<sup>36</sup> *Ibid.*

<sup>37</sup> *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.”**

“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

“... 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.”<sup>40</sup>

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”<sup>41</sup>. 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.”<sup>42</sup>

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:

- £2.6million 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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<sup>40</sup> Government of Wales Press Release, 21 November.

<sup>41</sup> *Ibid.*

<sup>42</sup> *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

- 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.



- 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.



- £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.



- 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.

- Seek to implement a waste strategy to promote minimisation of packaging, re-use and recycling, and using incineration and land fill methods only to a minimum extent.

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



## **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



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.”<sup>47</sup>

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



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.”<sup>49</sup>

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.”<sup>50</sup>

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.”<sup>51</sup>

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.”<sup>52</sup>

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<sup>49</sup> Assembly Record, 26 October

<sup>50</sup> *Ibid.*

<sup>51</sup> Assembly Record, 26 October

<sup>52</sup> *Ibid.*





- 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

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

Thirdly, and in consequence of the first and second points, it can become inaccurate to

- 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.

## **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.”<sup>53</sup>

### **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.”<sup>54</sup>

### **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:

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<sup>53</sup> *Assembly Record*, 24 October

<sup>54</sup> Press Notice issued by the Gower Constituency Office of Edwina Hart, 20 September



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.”<sup>59</sup>

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<sup>59</sup> Paul Murphy, *Speech to the Regional Government and Devolution Conference*, Valencia, 31 October (website: [www.oss.wales.gov.uk](http://www.oss.wales.gov.uk))

**8. RELATIONS WITH THE EUROPEAN UNION**  
**John Osmond, IWA**



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.”<sup>64</sup>

A separate consultation is being conducted in England by means of a Green Paper, *Modernising Local Government Finance*.

### **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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<sup>64</sup> 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

## **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



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.”<sup>67</sup>

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.”<sup>68</sup>

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

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<sup>67</sup> Western Mail, 10 October

<sup>68</sup> 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.”<sup>69</sup>

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<sup>69</sup> 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

commissioned a 'quickie' telephone sample of 500<sup>70</sup> 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

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 than 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?**

	ALL
Stronger	30%
Weaker	14%
About the same	44%
Don't know	12%

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

	ALL
Stronger	34%
Weaker	12%
About the same	30%
Don't know	23%

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?**

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

NOW

All those  
naming a party

						1999
Conservative	25%	25%	23%	20%	21%	20%
Labour	45%	51%	47%	50%	56%	55%
Liberal Democrat	13%	9%	12%	12%	8%	12%
Plaid Cymru	15%	13%	15%	16%	13%	10%
Other party	2%	2%	2%	2%	3%	3%
Would not vote	(12)	(14)	(11)	(11)	(10)	
Undecided	(23)	(21)	(23)	(25)	(23)	
Refused to say	(1)	(2)	(2)	(1)	(3)	

## **12. PRESS AND MEDIA**

**Nia Richardson, IWA**

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



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

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

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

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.”<sup>87</sup>

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<sup>87</sup> 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



## **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***





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 Tw[( for4i7c Twf

During the next session we shall introduce Assembly legislation requiring planning permission for **telecommunication masts**.

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 Officer 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;
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- 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

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

Member	Position	Party
Val Feld	Chair	Labour
Mike German	Minister	Liberal Democrat
Christine Chapman		Labour
Alison Halford		Labour
Ron Davies		Labour
Christine Gwyther		Labour
Brian Hancock		Plaid Cymru
Dafydd Wigley		Plaid Cymru
Phil Williams	Party Spokesperson	Plaid Cymru
Glyn Davies		Conservative
Alun Cairns	Party Spokesperson	Conservative

**Environment, Planning and Transport**

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

Member	Position	Party
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Janet Davies		Plaid Cymru
Dai Lloyd		Plaid Cymru
Janet Ryder	Party Spokesperson	Plaid Cymru
William Graham	Party Spokesperson	Conservative

**Education and Lifelong Learning**

Member	Position	Party
Cynog Dafis	Chair	Plaid Cymru
Jane Davidson	Minister	Labour
Huw Lewis	Deputy Minister	Labour
Alun Pugh		Labour
Lorraine Barrett		Labour
Janice Gregory		Labour
Gareth Jones	Party Spokesperson	Plaid Cymru
Pauline Jarman		Plaid Cymru
Jonathan Morgan	Party Spokesperson	Conservative
Christine Humphreys	Party Spokesperson	Liberal Democrats

**Culture**

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

Member	Position	Party
Rhodri Glyn Thomas	Chair	Plaid Cymru
Jenny Randerson	Minister	Liberal Democrat
Delyth Evans	Deputy Minister	Labour
Lorraine Barrett		Labour
Rosemary Butler		Labour
Alison Halford		Labour
Owen John Thomas	Party Spokesperson	Plaid Cymru
Gareth Jones		Plaid Cymru
Jonathan Morgan	Party Spokesperson	Conservative

**Agriculture and Rural Development**

Member	Position	Party
Glyn Davies	Chair	Conservative
Carwyn Jones	Minister	Labour
Delyth Evans		Labour
John Griffiths		Labour
Huw Lewis		Labour







### **Legislation Committee**

Member	Position	Party
Mick Bates	Chair	Liberal Democrats
Rosemary Butler		Labour
Ron Davies		Labour
Val Feld		Labour
John Griffiths		Labour
Dai Lloyd		Plaid Cymru
Pauline Jarman		Plaid Cymru
Owen John Thomas		Plaid Cymru
Glyn Davies		Conservatives