Commentary on the Welsh White Paper

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Constitution Unit publications can be ordered from the following address:

The Constitution Unit
School of Public Policy
Brook House, 2- 16 Torrington Place London WClE 7HN
Tel: 0 17 1 209 6669 Fax: 0 17 1 209 6594 Email: constitution@ucl.ac.uk

Constitution Unit commentary on the Welsh White Paper The political background

a well intentioned Westminster Parliament might confer broad delegated powers; a different Parliament (perhaps controlled by a different party) might leave no room for local discretion or choice

Welsh bills risk losing their place in the intense Whitehall competition for legislative time, when the UK government may have a different agenda and other priorities
in future Welsh committees in the Westminster Parliament can still be packed with non-Welsh MPs (as happened under the previous government) in order to get the government's legislation through
schemes for Welsh legislation will be prepared in Whitehall by officials who no longer share responsibility for their implementation in Wales: the crucial link - and feedback - between administration and legislation will be br~ken.~

Continuation of the Secretary of State

The White Paper says "the Secretary of State will need to work closely with the Assembly and be informed, though not bound, by its views. The Secretary of State will represent Wales - with the benefit of having had the democratic voice of the Assembly - in policy formulation and resource decisions" (para 1.17). The Secretary of State thus has an important supervisory and supportive role: because the Assembly has no legislative power the Secretary of State will be needed to try to

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ensure that laws passed at Westminster meet the needs of Wales. He will have to work closely with the Assembly, holding regular meetings with its executive; and the White Paper says that (unlike his Scottish counterpart) he will be able to attend the Assembly and participate in its debates. The Scottish Secretary may be little more than a go between; but the Welsh Secretary will be more like a governor general.

It is questionable whether there is room for two politicians who both claim to represent and speak for the interests of Wales, especially if they are drawn from governments of different political parties. Here too the Welsh proposals are dependent on a high degree of good will between the administrations in London and Cardiff, which may only arise if they are under the control of the same party. Given the significant powers retained by the Secretary of State, it is difficult to imagine executive devolution in Wales working satisfactorily if (say) John Redwood were still the Secretary of State and trying to work with a Labour controlled Assembly in Cardiff.

Finance

The Welsh Assembly will have no revenue raising power. It will be solely dependent on the block grant from London, currently some E7bn. Changes to the budget will be tied to changes in comparable spending programmes in England, under the Barnett Formula (Annex D of the White Paper).

This currently gives Wales levels of public spending some 16% higher than in England, when Wales' needs were assessed twenty years ago by the Treasury as requiring expenditure some 9% higher. Post-devolution the favoured treatment of Scotland and Wales will be much more exposed and may not last indefinitely. Scotland is more exposed, because it enjoys levels of public spending 25% higher than in England. It is wealthier than Wales, and so its relative needs may be less; and its population is declining. But if the Barnett formula is reviewed Scotland will

If the Assembly's budget is squeezed, it could in turn squeeze revenue support grant to local authorities, and rely on their capacity to increase levels of council tax to make up the difference. The capacity to do this may be limited because of the high gearing involved; and because central government may retain reserve powers to control increases in council tax (White Paper para 3.9). But this does not invalidate the general point that the Welsh Assembly could levy taxes by proxy through the council tax by cutting its grant to local authorities. Without any revenue under its own control this would represent its only variable source of revenue.

The only other variable source of revenue would be non-domestic rates. If these were returned to local authority control - as local government has demanded - there would be a greater capacity for the Welsh Assembly to precept because local authorities would have a stronger revenue base. If base.

Whether the Welsh Assembly will develop in this way will depend on its Standing Orders, but as importantly on its first members and their previous political experience. The Welsh Assembly is likely to be dominated by Labour. If a majority of its members come from local government they are likely to bring with them the habits and practices followed in Labour-controlled local authorities, many of which in South Wales have been under one party control for a long time. It is worth heeding the warning of the independent Commission for Local Democracy which said: "[The local government model] is seriously inadequate to meet the demands of a mature democracy. It obscures and distorts what should be open and lively political activity for the majority of citizens and it fails to provide clear lines of local accountability. The system encourages political parties to continue private informal management of councils and grant them inordinate power."4

In one respect the White Paper does not follow the local government model. It states that members of the Assembly will receive a salary, because their job will be demanding and full time (para 4.46). This is asserted without argument. But in Australia and Canada the smaller provincial parliaments comparable to the Welsh Assembly sit for only 50 to 60 days a year; and membership is not a full time occupation. Nor should it necessarily be full time in Wales. Membership should certainly be salaried; but in terms of time, the question has to be which is likely to attract higher calibre members - a full time occupation, which restricts membership to career politicians; or part time, which would enable people

the board members. If the function is retained, the operating budgets and administrative costs of providing the service will remain the same; unless significant savings can be made in administrative costs (e.g. by merger) with no reduction in the quality of service. The total governance costs of all the quango boards in Wales amount to some £1-2m a year. The White Paper estimates the annual running costs of the Assembly to be between