



The Future Relationship between Wales, Whitehall and Westminster

Keynote Speech given by the Secretary of State for Wales, Peter Hain, to a joint IWA/Constitution Unit Conference on Monday 7th July 2003.

When the IWA fixed the title for this address months ago, nobody could have foreseen how prescient it would be.

But I am glad today to be able to have the opportunity to emphasise once again that the Cabinet changes that have taken place will in no way weaken the excellent relationship that currently exists between Wales, Whitehall and Westminster.

The way that those changes first came out gave an impression to many of a dilution of Welsh influence at Westminster. Yet nothing could be further from the truth.

Neither the position of Secretary of State for Wales, nor the Wales Office has been abolished. Wales Office staff remain in Gwydyr House in Whitehall and Discovery House in Cardiff Bay.

I continue to speak for Wales around the Cabinet table, being Wales' voice in Westminster and Westminster's voice in Wales.

I continue to be responsible for taking Welsh legislation through the House of Commons, and to answer Welsh Questions, as I did last week. I continue to attend the Welsh Grand Committee, and to appear before the Welsh Affairs Select Committee.

This morning I had my regular weekly bilateral with the Assembly First Minister, Rhodri Morgan in Cardiff, just as I did last Monday, and on the Monday before that. So it is business as usual for the Wales Office, and business as usual for the strong partnership between the Government at Westminster and the Assembly Government in Cardiff.

The civil servants in the Wales Office and the Scotland Office are part of the Department for Constitutional Affairs for pay and rations, and to ensure they do not need to change departments when the posts of Secretary of State move.

The Secretary of State for Constitutional Affairs, as the Lord Chancellor did, will chair the main Cabinet Constitutional Reform Committee, through which any proposals to vary the devolution settlement would be channelled.

These changes are a sign of the successful bedding down of the devolution process. No - one could really have expected that the establishment of the National Assembly and the Scottish Parliament would have no effect whatsoever on the long-term roles of the Wales Office and the Scotland Office.

Unless, as my good friend Rhodri has described, in his inimitable fashion, they had been living on the Planet Zog.

Speaking of which, the Conservatives stated before the last election that they wanted to combine the post of Secretary of State for Wales with other Cabinet responsibilities. They even suggested that it might be combined with that of Leader of the House!

The Liberal Democrats said in their evidence to the Richard Commission that they would like to see the post of Secretary of State for Wales abolished, and the number of Welsh MPs reduced.

The Welsh Nationalists would clearly have no need for such a post in an independent or “self-governing” Wales.

I think it is instructive, that despite the cacophony of critical comment, no political party has said that it would actually reverse the changes.

The duties of the Secretary of State remain as crucial today as they were before the re-shuffle. Every clause of legislation affecting Wales – or desired by Rhodri and his colleagues – comes through the Secretary of State for Wales and the Wales Office.

Almost weekly, either I or my deputy Don Touhig and our officials have to smooth channels between Cardiff Bay and Whitehall or negotiate fine details to get the Assembly’s policies into effect. Under the 1998 Government of Wales Act, that’s our job and it will remain so. The basis of the partnership between Wales and Westminster remains a solid one – and has worked well.

I know there’s a lot of excited chatter about the Assembly’s powers, and as everybody knows, I’m a passionate devolutionist, but the National Assembly is only 4 years old. The system is still very young. It is just fifty months since the people of Wales underwent a radical change in the way that they are governed.

But during that relatively short time, using its powers, the Assembly has been able to carry forward its detailed and distinctive agenda in key areas such as education and health, and has been able to make a real difference to the lives of people living in Wales.

This has included implementing a radical restructuring of post-16 education and training system; ending mass testing at Key Stage 1; introducing free school milk for infants; piloting a new Welsh Baccalaureate examination; establishing the Children's Commissioner for Wales; and providing new Assembly Learning Grants for higher and further education students, free prescriptions for the under 25s, free bus travel for the over 60s and the disabled, free eye-tests for high-risk groups and free nursing care in nursing homes. All policies made in Wales and delivered only in Wales.

One of the conference sessions this afternoon is entitled "How much will the UK Government continue to determine the Welsh agenda?" - what is known in legal circles as a leading question!

Especially since I would argue that the Assembly has in fact already enjoyed greater freedom than many had envisaged. Not just to implement different policies, as I have already outlined, but on legislative provision.

Since 1999 there have been 2 Wales-only bills enacted, the Children's Commissioner for Wales Act and the Health (Wales) Act. A draft Public Audit Wales Bill is now undergoing pre-legislative consultation. Significant Wales-only clauses have also been included in legislation such as the Care Standards Act, the Local Government Act, the Education Act, and the NHS Reform and Health Care Professions Act - all clauses inserted at the Assembly's request, in the way the Assembly wanted.

The current Planning and Compulsory Purchase Bill, the Local Government Bill and the Health and Social Care Bill all contain Assembly-designed clauses.

The evidence simply does not support the contention that Wales has, in some way, been legislatively short-changed by Westminster over the past four years.

The success of the Assembly's legislative bids should not be measured by the number of Wales-only Bills alone. Let me take two examples from this session. In March last year, the Assembly Cabinet bid for a Sunday Licensing (Wales) Bill, to remove the need for local authorities to hold polls on the opening of licensed premises on a Sunday, where requested. This sensible provision, removing a needless regulatory and financial burden on the licensed trade and local authorities, was incorporated in the Licensing Bill now before Parliament. Similarly, the Assembly requested a Land Use Planning Bill to speed the operation and clarity of the planning system in Wales. Provisions addressing the Assembly's requirements were subsequently incorporated in the Planning and Compulsory Purchase Bill. Because the provisions have not appeared in the form of Wales - only bills, some allege that the Assembly's bids have failed.

But it makes no difference whether these bids are implemented through Wales-only bills or Wales-only clauses in other bills.

There have also been big advances in the way Welsh legislation is drawn up. The draft NHS Wales Bill was subject to scrutiny by the Welsh Affairs Committee and the Assembly Health

and Social Services Committee. Both the Assembly Health Minister and the Wales Office Minister gave evidence to these committees. All Assembly Members and Welsh MPs were given an opportunity to debate the Bill in a plenary session in Cardiff and a Welsh Grand Committee at Westminster.

The process resulted in a Health (Wales) Bill, amended to take account of issues that arose during the process of pre-legislative scrutiny. Such a process is far more open and transparent than that which took place pre-devolution, and I believe that it delivers better legislation for Wales.

We have also been able to demonstrate the flexibility within the settlement. The UK Government has made financial provision through the Spending Review for funding over and above the Barnett formula, to enable the Assembly to take full advantage of the opportunities offered by the achievement of Objective 1 status for West Wales and the Valleys. And we have also been able to transfer new powers to the Assembly. The most recent example of this was last week's proposal by the Deputy Prime Minister in the White Paper Our Fire and Rescue Service that responsibility for fire policy should be devolved to the Assembly.

The ability to make such transfers is an important feature of the settlement. But such transfers are never made without the most rigorous consideration of their practical implications. So, the Richard Commission must pose and also answer in any of its recommendations the most important question: "What practical benefits will this give to the people of Wales? How many more jobs will it create? How will it improve health care, education, transport?" In my view no decisions should be taken on such issues unless there is a positive answer to this practical delivery question.

But there are other questions as well that need to be asked.

What will be the impact on other areas of responsibility – will it make it easier or more difficult to deliver a related public service in Wales?

What is the practicality of a proposal and what implications are there for resources?

I am a passionate enthusiast for devolution. I am proud that I fought so hard for that referendum victory. But only because I believe that devolution will bring – indeed, has already brought – tangible benefits. I am not in favour of further constitutional reform for its own sake.

If recommendations were made by the Commission which would require changes to the Government of Wales Act, I believe that a further issue would need to be considered, that of democratic legitimacy. The current devolution settlement for Wales followed a manifesto commitment in a general election and a referendum.

Any major changes proposed, as well as having to demonstrate very clear, practical improvements in delivery of public services to the people of Wales, would need to have a democratic mandate.

The Commission is also considering the Assembly's electoral arrangements. We have seen in the most recent elections that the best of intentions to create the most proportional system can lead to outcomes more perverse than which occur under First Past the Post.

The Conservatives would have gained only one seat in the Assembly under a First Past the Post system both in 1999 and 2003. That would clearly not have represented their true support, now standing at 20 per cent in Wales.

Yet equally, how can it be right that under the system adopted, candidates who are defeated in the FPTP ballot can then be elected under the regional list ballot?

In the Clwyd West constituency, for example three of the four defeated candidates were subsequently elected on the regional list, including one who only polled 7.9% of the vote. Should they then be able to call themselves the Member for the self-same constituency as they can do now? And set up a constituency office in competition with the AMs they were defeated by?

To conclude this brief analysis of the relationship between Wales, Whitehall and Westminster I would say that an immense amount has been achieved through working in partnership. However, we still face major challenges, if we are to realise our goal of a world-class Wales, with an internationally-competitive economy and high-quality public services.

This is a time of great economic opportunity for Wales. The unemployment rate is now below that of the UK as a whole at 4.8%.

Employment in Wales has risen by 69,000 over the year. The fall in the economic inactivity rate over the year is the highest in the UK.

But we need to reduce still further levels of economic inactivity, and spread prosperity to all our communities.

That is why I welcome Rhodri's appointment of a Minister for Social Justice as an indication of the priority his administration places on regenerating communities that have for too long suffered high levels of unemployment.

In education and health, the Assembly Government has the opportunity afforded by a framework of economic stability delivering a sustained programme of public investment to deliver further improvements in standards and services.

We need continued strong co-operation between the UK government, the Assembly, and local government to cut crime and build safer communities.

The Assembly Government has exciting plans for its second term – including the abolition of prescription charges, providing for all primary school children to have free breakfasts in schools, and enabling free access to local authority swimming pools for older people.

This Welsh Labour path will, in many ways, be different from that Labour is pursuing in England. But that is what devolution is about – enabling different communities to seek their own unique solutions, tailored to their specific needs.

It gives us an unprecedented opportunity to learn from each other in the pursuit of policies to tackle poverty and promote enterprise and social justice.

Wales is raising its game economically. We are raising our profile internationally. To change Wales for the better, the Assembly Government and Westminster must work together with confidence and commitment, through a partnership for social justice and prosperity, to build a world-class Wales.

Peter Hain is the Secretary of State for Wales.